Audit of the management of trust funds at the Economic Commission for Europe (OIOS 2018-084)

No.	Recommendation	Critical[2]/ Important[3]	C/ O[4]	Actions taken to close recommendation	Implementation date[5]
1	ECE should review its resource mobilization strategy and multi-year plan and take appropriate steps such as: (i) incorporating measurable and quantifiable performance indicators in the strategy; (ii) instituting a process to track the progress achieved; and (iii) including the impact of resource mobilization activities in its annual report to the Executive Committee.	Important	O	ECE requested OIOS to revise the implementation date from 30 June to 31 December 2019. This item has been considered as a lower priority in the context of responding to the needs of the reform of the UN Development System for Member States. The Executive Secretary has initiated actions at the subprogramme level, which will be finalised in 2020 and a revised Resource Mobilisation Strategy will be submitted to EXCOM for approval.	Target date: 31/12/2019 **In Progress**
2	ECE should strengthen its due diligence process by incorporating procedures for engagement with NGOs and other entities as donors and partners.	Important	C	A *Due Diligence Questionnaire for NGOs and other entities as donors and partners* has been established to complete the existing *Due diligence Questionnaire for Potential Private Sector Partners*. As of 1 July 2019, all agreement documents with NGOs and other entities other than member States must be submitted to the Office of the Executive Secretary, Chef de Cabinet accompanied by a duly completed and signed due diligence questionnaire from the entity itself. **Based on the action taken by ECE, recommendation was closed by OIOS.**	**Implemented:** 04/07/2019
3	ECE should take appropriate steps to update its policies and procedures relating to management of extrabudgetary resources with the requirement to mainstream SDGs in their activities.	Important	O	The review of the ECE Technical Cooperation Strategy is in progress. As the Technical Cooperation Strategy (2007) was approved by the Commission, the revised version will be submitted for the Commission's approval at its next session in April 2021. ECE requested OIOS to revise the implementation date from 31 March to 31 December 2019 due to the importance of the results of the reform of the UN Development System which should be taken into account in defining UNECE's future operational activities, with the regional component of the UNDS reform still underway. ECE further requests the implementation date to be revised to April 2021 accordingly.	Revised target date: 30/04/2021 **In Progress**

No.	Recommendation	Critical[2]/ Important[3]	C/ O[4]	Actions taken to close recommendation	Implementation date[5]
4	ECE should: (i) establish a mechanism to consult available National Voluntary Reviews (NVR) of the country where projects are planned to be implemented; and (ii) encourage more Member States to participate in the NVR process to enhance project effectiveness.	Important	C	1. All project managers are mandatory consulting VNRs when developing the project documents. A specific section in VNRs was added to all new project proposals from October 2018. 2. As VNRs is a voluntary process initiated by the Government, there is no direct ECE engagement in VNRs. The Regional Forum on Sustainable Development (RFSD) provides a platform for the ECE member States to share their experience on SDGs, inter alia encouraging ECE member States to participate in VNRs. The Chair's summary of the discussions (https://undocs.org/E/HLPF/2019/3/ADD.1 - Annex I, p.10), in the context of the latest RFSD for the ECE Region (March 2019) reflects this call to ECE member States to participate in VNR process. 3. ECE actively participates in the UNCTs in the 17 programme countries, and engages technical support through MAPs missions. ECE provided technical expertise to 4 MAPs missions, which support countries to identify opportunities for mainstreaming, acceleration and policy support for SDGs, which are a key driver, and foundation for countries developing VNRs. **Based on the action taken by ECE, recommendation was closed by OIOS.**	**Implemented:** 30/06/2019
5	ECE should include in the terms of reference for evaluations the need for evaluations to comply with the United Nations Evaluation Group's revised gender-related norms and standards.	Important	C	The Terms of Reference template for evaluations has been updated and now reflects the UNEG's revised gender-related norms and standards. The template is available on the ECE internal intranet and is hereby attached. **Based on the action taken by ECE, recommendation was closed by OIOS.**	**Implemented:** 17/10/2018

No.	Recommendation	Critical[2]/Important[3]	C/O[4]	Actions taken to close recommendation	Implementation date[5]
6	ECE should: (i) develop a catalogue of technical cooperation services based on available technical expertise; and (ii) institute a project intake process to ensure that projects fall within the available expertise to further enhance the effectiveness of its technical cooperation activities.	Important	O	ECE requested OIOS to revise the implementation date from 30 June to 31 December 2019. This is because ECE does not wish to prejudge the outcome of the results from the reform of the UNDS, which should be taken into account in defining UNECE's future technical cooperation services, with the regional component of the UNDS reform still underway.	Revised target date: 31/12/2020 **In Progress**
7	ECE should: (i) take appropriate steps to ensure that indicators of achievement in project proposals are focused on outcomes; (ii) use appropriate tools to track the progress of outcomes; and (iii) include them in the annual report on technical cooperation activities to the Executive Committee.	Important	C	The guidance to the logical framework, including on outcomes (expected accomplishments) and indicators was strengthened. Reporting on individual projects includes reporting against the set indicators for majority of the technical cooperation projects (depending on the donor-agreed templates). The annual report on Technical Cooperation provides summary of the results on all technical cooperation interventions, including the projects. Whenever possible, factual data on indicators will be included. **Based on the action taken by ECE, recommendation was closed by OIOS.**	**Implemented:** 30/06/2019
8	ECE should: (i) resume lessons learned exercises based on the evaluations conducted; (ii) convey the results of the lessons learned exercise to the concerned divisions for making necessary adjustments in future project proposals; and (iii) include the lessons learned from evaluations in its annual report to the Executive Committee.	Important	C	(i) ECE held a lessons-learned exercise on evaluations conducted in 2018 the 12 March 2019. The objective of the workshop was to draw lessons from the evaluations conducted in 2018 and facilitate an exchange of experiences across the organization. (ii) The presentation made during the workshop and the final report are attached; these documents have been shared with ECE Directors and distributed across ECE divisions and uploaded to Open UNECE. (iii) To ensure the sustainability of this learning, an additional induction workshop was held on 13 May 2019 for project managers who will manage evaluations in 2019. (iv) The 2018 Annual report on evaluation was presented to EXCOM during the 104th meeting (http://www.unece.org/info/about-unece/executive-committee-excom/meetings/2019/104th-meeting.html). In the report, the chapter 4 analyses the results of the internal evaluations conducted and highlight the key areas of improvement **Based on the actions taken by UNECE, recommendation was**	**Implemented:** 21/03/2019

No.	Recommendation	Critical[2]/ Important[3]	C/ O[4]	Actions taken to close recommendation	Implementation date[5]
				closed by OIOS.	
9	ECE should review the trust funds with low contributions and/or no activity and determine whether they can be closed and merged with the technical cooperation trust fund to improve trust fund management.	Important	O	Following review and discussions with respective programme managers regarding the closure or the merging of the general trust funds with low contributions or little or no activities with the technical cooperation trust fund 32ECE, the Executive Office has determined that four trust funds may be merged upon finalization of remaining commitments in 2020 in order to minimize disruption to ongoing activities. **OIOS took note of the progress reported by ECE in January 2020 and requested the proof of the closure of the low contributions trust fund to close the recommendation.**	Revised target date: 31/12/2020 **In Progress**
10	ECE should: (i) review the use of consultants and ensure that they are only hired to perform tasks that require specialized skills; and (ii) include a knowledge transfer clause in the consultants' terms of reference, where applicable, to facilitate upgrading the technical skills of its staff.	Important	C	This recommendation was implemented the 23 October 2018, as per an email from ECE Executive Officer. UNECE C/IC tool has been updated to reflect the additional requirements for project managers. ECE has also reviewed the contracts which have been signed since the new requirement has been implemented and confirms that these contracts comply with the requirement. **Based on UNECE's confirmation that the consultants are used for specialized functions based on their review, recommendation is closed by OIOS.**	**Implemented:** 23/10/2018
11	ECE should: (i) ensure that consultants and contractors provide a statement of good health for self-certification and complete a beneficiary form; and (ii) monitor and address delays in processing of payments to consultants.	Important	C	This recommendation was implemented the 23 October 2018, as per an email from ECE Executive Officer. UNECE C/IC tool has been updated to reflect the additional requirements for project managers. **Based on the action taken by UNECE, recommendation was closed by OIOS.**	**Implemented:** 23/10/2018

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[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 ECE.