

## Intermediate Progress Report - 30.06.2019

### Audit of the management of the Transport International Routier Trust Fund at the Economic Commission for Europe

Recom. no.	Recommendation	Critical <sup>2</sup> / Important <sup>3</sup>	C/ O <sup>4</sup>	Actions taken to close recommendation	Implementation date <sup>5</sup>
1	ECE should propose to the Administrative Committee the possible options of mechanisms to monitor and evaluate the documentation submitted by the authorized international organization in order to strengthen governance in the TIR Convention, particularly with regard to accountability.	Important	O	<i>Implementation ongoing.</i> The audit report was submitted to the TIR Executive Board (supervisory body of the TIR Convention) for initial consideration at its June 2019 session. The Board requested the submission of the recommendation to the TIR Administrative Committee together with a document on possible mechanisms to monitor and evaluate the documentation submitted by the international organization. The task was included in the work plan of consultants hired to work on the new agreement with the international organization. The recommendation will be submitted to the Administrative Committee at its October 2019 session.	06/02/2020  <i>Target date as per Management Response</i>
2	ECE should prepare updated terms of reference for TIR focal points for consideration and approval by the Administrative Committee in order to ensure consistency and enhance the focal points' effectiveness.	Important	O	<i>Implementation ongoing.</i> During initial considerations at its June 2019 session, the TIR Executive Board mandated the secretariat to draft updated terms of reference (ToR) for TIR focal points and requested submission to its October 2019 session for consideration. Further to the consideration by the Board, ToR will be submitted to the Administrative Committee for consideration and approval.	06/02/2020  <i>Target date as per Management Response</i>
3	ECE should bring to the attention of the Administrative Committee the need to develop appropriate procedures concerning: (a) evaluation of qualified organizations before selection of the authorized international organization for TIR operations; and (b) periodic assessment of the authorized international organization's compliance with the stipulated conditions and requirements.	Important	O	<i>Implementation ongoing.</i> During initial considerations at its June 2019 session, the TIR Executive Board requested the submission of the recommendation to the Administrative Committee together with a document on appropriate procedures concerning part (a) and (b) of the recommendation. The task was included in the work plan of consultants hired to work on the new agreement with the international organization. The recommendation will be submitted to the Administrative Committee at its October 2019 session.	15/10/2021  <i>Target date as per Management Response</i>

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4	ECE should amend its agreement with the external partner to include the additional requirements introduced by the Convention in July 2018.	Important	O	<i>Implementation ongoing.</i> During initial considerations at its June 2019 session, the TIR Executive Board mandated the secretariat to amend the agreement with the international organization in line with the recommendation and also authorized the secretariat to hire consultants to work on the new agreement. The task was included in the work plan of the consultants. The new agreement including additional requirements introduced by the Convention in July 2018 will be submitted to the Administrative Committee at its October 2019 session.	17/10/2019  <i>Target date as per Management Response</i>
5	ECE should revise its internal directive on the management of extrabudgetary resources to ensure that essential review and approval of projects relating to Conventions is performed by the respective governing bodies, such as the Administrative Committee in the case of the TIR Convention.	Important	O	<i>Implementation ongoing.</i> The Secretariat has commenced discussions with the Executive Committee (EXCOM) to consider the revision of ECE/2014/41/Rev.1 which governs the approval of extrabudgetary funding in ECE.  The revision of the internal directive (18) will follow the decision of EXCOM, expected to be on target by 31 December 2019.	31/12/2019  <i>Target date as per Management Response</i>
6	ECE should seek the advice of the Ethics Office on the apparent conflict of interest arising from its arrangement with the external partner on the eTIR project, including the receipt of funds from the external partner to whom ECE has become accountable under the contribution agreement despite having the responsibility to assist the Executive Board in overseeing the external partner's operations and assessing its compliance with the TIR Convention.	Important	O	<i>Implementation ongoing.</i> The Ethics Office will be contacted after submission of the audit report to the Administrative Committee at its October 2019 session.	by the end of 2019  <i>Target date as per Management Response</i>
7	ECE should bring to the attention of the Administrative Committee the need to: (a) study the reasons for the decline in sale of Carnets over the years and develop an action plan to address the underlying causes; and (b) develop an appropriate alternative financing arrangement to ensure the sustainability of TIR operations.	Important	O	<i>Implementation ongoing.</i> 7(a) "Studying the reasons for the decline in sale of TIR Carnets" was included in the programme of work of the TIR Executive Board for the years 2019-2020. The Board at its June 2019 session mandated the secretariat to conduct a survey to that end. Results of the survey will be submitted to the Board at its October 2019 session. The recommendation will also be brought to the attention of the Administrative Committee.  7(b) The task was included in the work plan of the consultants. Proposals on an appropriate alternative	06/02/2020  <i>Target date as per Management Response</i>

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				financing arrangement will be submitted to the Administrative Committee at its October 2019 session.	
8	ECE should, in consultation with the Administrative Committee, devise a mechanism to settle the excess advance received from the external partner.	Important	O	<i>Implementation ongoing.</i> The task was included in the work plan of the consultants hired to work on the new agreement with the international organization. Proposals on a mechanism to settle the excess advance received from the partner will be submitted to the Administrative Committee at its October 2019 session.	17/10/2019  <i>Target date as per Management Response</i>
9	ECE should take appropriate measures to refine the budgets and cost plans for the TIR Executive Board and the TIR secretariat by considering the potential impact of known factors such as staff vacancy rates.	Important	O	<i>Implementation ongoing.</i> The secretariat reflects the recommendation into the ongoing drafting of the cost plan for the year 2020. The results will be submitted to the Administrative Committee at its October 2019 session.	17/10/2019  <i>Target date as per Management Response</i>
10	ECE should develop an action plan for providing the required training and support to countries that have acceded to the TIR Convention to operationalize the TIR procedures in those countries.	Important	O	<i>Implementation ongoing.</i> During initial considerations at its June 2019 session, TIR Executive Board requested the secretariat to develop an action plan in line with the recommendation for consideration at its October 2019 session. The recommendation will also be submitted to the Administrative Committee.	06/02/2020  <i>Target date as per Management Response</i>

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> C = closed, O = open

<sup>5</sup> Date provided by ECE.