

UNITED NATIONS



NATIONS UNIES

**Office of Internal Oversight Services  
Internal Audit Division II**

AUD: (030/2004)

DATE 01 November 2004

TO: Dr. Klaus Toepfer, Executive Director  
United Nations Environment Programme (UNEP)

FROM: Egbert Kaltenbach, Director,  
Internal Audit Division II, Office of Internal Oversight Services (OIOS)

SUBJECT: **OIOS Audit of UNEP's Secretariat to the Convention on the Conservation of Migratory Species of Wild Animals (CMS), and co-located Agreement Secretariats (AA 2004/220/02)**

1. I am pleased to submit the final report on the audit of UNEP's Secretariat to the Convention on the Conservation of Migratory Species of Wild Animals (CMS), and co-located Agreement Secretariats, which was conducted in July 2004 in Bonn, Germany by Mr. Nicholas Makaa. A draft of the report was shared with the Deputy Executive Director, the outgoing Head of CMS, the incoming Officer-In-Charge, and the Executive Secretaries of the co-located Agreement Secretariats in August/ September 2004 whose comments, which were received on 26 October 2004, have been reflected in the final report.
2. I am pleased to note that most of the audit recommendations contained in this final report have been accepted and that UNEP has initiated their implementation. The table in paragraph 46 of the report identifies those recommendations, which require further action to be closed. I wish to draw your attention to recommendations 1, 2, 8, and 11, which OIOS considers to be of critical importance.
3. I would appreciate it if you could provide an update on the status of implementation of the audit recommendations not later than 31 May 2005. This will facilitate the preparation of the twice-yearly report to the Secretary-General on the implementation of recommendations, required by General Assembly resolution 48/218B.
4. Please note that OIOS is assessing the overall quality of its audit process. I therefore kindly request that you consult with your managers who dealt directly with the auditors, complete the attached client satisfaction survey form and return it to me under confidential cover.
5. I would like to take this opportunity to thank you and your staff for the assistance and cooperation extended to the audit team.

Attachment: Client Satisfaction Survey Form

cc: Mr. Robert Hepworth, Officer-in-Charge of CMS. (by e-mail)  
Ms. Jasmin Kanza, AFMO of CMS (by e-mail)  
Mr. Rudiger Stempel, Executive Secretary of ASCOBANS (by e-mail)

Mr. Bert Lenten, Executive Secretary of AEWA (by e-mail)  
Mr. Andreas Streit, Executive Secretary of EUROBATS (by e-mail)  
Mr. Egbert Kaltenbach, Director, IAD II (by e-mail)  
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**United Nations**  
**Office of Internal Oversight Services**  
**Internal Audit Division II**

# **Audit Report**

**Audit of UNEP's Secretariat to the Convention on the Conservation of  
Migratory Species of Wild Animals (CMS), and co-located Agreement  
Secretariats  
(AA 2004/220/02)**

**Report date: 01 November 2004**

**Audit Team: Nicholas Makaa**



**Office of Internal Oversight Services  
Internal Audit Division II**

**OIOS audit of UNEP's Secretariat to the Convention on the Conservation of  
Migratory Species of Wild Animals (CMS), and co-located Agreement  
Secretariats (AA 2004/220/02)**

**EXECUTIVE SUMMARY**

In July 2004, OIOS conducted an audit of UNEP's administrative arrangements for the Convention on the Conservation of Migratory Species of Wild Animals (CMS), and its co-located Agreement Secretariats. The approved budgets for CMS and the co-located Agreement Secretariats totalled some US\$7 million during the period 2003-2005.

The main conclusion was that UNEP needed to do more to provide an effective administrative structure as the administrative arrangements had worsened since the last audit in 2000, a primary contributory factor being that CMS had been operating at around 50 percent of its staff strength for the past two years. Key findings are summarised below and, in all the areas referred to, UNEP has agreed to take action to address the concerns raised.

**Governance and mandate**

UNEP has an ongoing study into the administrative arrangements for UNEP administered Conventions. Whilst the results of this review may clarify the overall relationship between CMS, the Agreement Secretariats and UNEP / UNON, there is need for the Executive Director of UNEP to clarify the relationship between Secretariats of CMS and the Agreements. Furthermore, CMS should initiate a process with the Agreement Secretariats and draw up guidelines detailing the services provided, roles and responsibilities, and enter into discussion into how these services will be provided.

**Host Country Agreement**

Steps should be taken to follow up with the German authorities on the refund of Value Added Tax for Agreement Secretariats amounting to approximately US\$12,000 for the period 2002-2003.

**Human Resources Management**

Urgent steps should be taken to fill vacant posts at CMS and the Agreement Secretariats to ensure their operations and functions are conducted effectively and efficiently within the UN Regulations and Rules. Current mechanisms for recruitment on consultants and contractors also need to be strengthened to ensure compliance with relevant UN Rules.

**Procurement**

Current mechanisms need to be strengthened to ensure compliance with UN Financial Regulation 5.12 that requires exercising due consideration to achieve value for money, fairness, integrity and transparency, effective international competition, and interest of the UN with regard to purchasing goods and services competitively.

**October 2004**

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## **OIOS audit of UNEP's Secretariat to the Convention on the Conservation of Migratory Species of Wild Animals (CMS) (AA2004/220/02)**

### **I. INTRODUCTION**

1. This report discusses the results of an OIOS audit of the United Nations Environmental Programme (UNEP) Secretariat to the Convention on the Conservation of Migratory Species of Wild Animals (CMS), which covered also the co-located Agreement Secretariats. The audit was carried out in July 2004 in accordance with the Standards for the Professional Practice of Internal Auditing, promulgated by the Institute of Internal Auditors and adopted by the Internal Audit Services of the United Nations Organizations.

2. CMS (also known as the Bonn Convention) aims to conserve terrestrial, marine and avian migratory species throughout their range. It is an intergovernmental treaty concerned with the conservation of wildlife and wildlife habitats on a global scale. Since the Convention's entry into force on 1 November 1983, its membership has grown steadily to include 86 Parties from Africa, Central and South America, Asia, Europe and Oceania. Parties to CMS are required to protect migratory species in Appendix I of the Convention. Parties also work together to conserve migratory species and their habitats by providing strict protection for the endangered migratory species by concluding multilateral Agreements under Article IV of the Convention for the conservation and management of migratory species and by undertaking co-operative research activities.

3. A Secretariat under the auspices of UNEP provides administrative support to the Convention. The decision-making organ of the Convention is the Conference of the Parties (COP). It has a Standing Committee, which provides policy and administrative guidance between the regular meetings of the COP while the Scientific Council consisting of experts appointed by individual member States and by the COP gives advice on technical and scientific matters. Similarly, each of the co-located Agreements have governing structures comprising Meeting of the Parties (MOP), Secretariat, Advisory/ Technical Committees and in the case of AEWA, a Standing Committee.

4. CMS has established in 2001 an Agreements Unit to provide administrative services to co-located Article IV Agreement Secretariats with Conservation of Bats in Europe (EUROBATS), Conservation of Small Cetaceans of the Baltic and North Seas (ASCOBANS) and with African-Eurasian Waterbird Agreement (AEWA).

5. CMS is headed by an Executive Secretary at D-1, supported by 4 Professionals, 1 Junior Professional Officer and 7 General Service staff members. The Head of the Office retired at the end of July 2004 and at the time of the audit his successor was still not confirmed. In addition the posts of Deputy Executive Secretary, Information and Capacity Building Officer and Inter-Agency Liaison Officer were vacant and at various stages of recruitment. This meant that CMS was operating at less than 50 percent of its official staff strength and had been operating this way for almost two years.

6. EUROBATS is headed by a P-3 supported by 2 General Service staff. ASCOBANS is headed by a P-3 supported by 1 General Service staff. AEWA is headed by a P-3 supported by 1 Professional and 1 General Service staff members.

7. CMS and Agreement Secretariats activities are funded by Trust Fund (TF) contributions, which are assessed using the same system as the UN scale of assessment. The approved CMS budget for 2003–2005 is US\$ 4.96 million, EUROBATS' approved budget for 2004-2006 is approximately US\$709,500; ASCOBANS' budget for the same period is US\$504,700; and AEWA's approved budget for 2003-2005 is US\$1.6 million

8. A draft of the report was shared with the Deputy Executive Director, the outgoing Head of CMS, the incoming Officer-In-Charge, and the Executive Secretaries of the co-located Agreement Secretariats in August / September 2004 whose comments, which were received on 26 October 2004, have been reflected in the final report.

## **II. AUDIT OBJECTIVES**

9. The overall objective of the audit was to determine whether the internal control systems for managing the structure, programme and resources were adequate and were operated in compliance with UN Regulations and Rules.

## **III. AUDIT SCOPE AND METHODOLOGY**

10. The audit covered activities for the period 2001 to July 2004 and involved interviewing staff, reviewing available documents and assessing control procedures where documentation was available. It was carried out in Nairobi and Bonn and involved staff of CMS, the three Agreement Secretariats, UNEP and UNON.

## **IV. AUDIT FINDINGS AND RECOMMENDATIONS**

### **A. Governance / Mandate**

#### **(a) Relationship between Agreement Secretariats and UNEP Headquarters / UNON**

11. There was no formal documentation explaining the relationship between the Agreements and other parts of UNEP, in particular the Division for Environmental Conventions, and UNON administration. OIOS is of the opinion that this is necessary as the Agreement Secretariats are not sub-units of CMS but separate entities, co-located with CMS. UNEP stated that all the Agreement Secretariats were negotiated under CMS Article IV and whilst the Agreement Secretariats have an autonomous, but not fully independent status, this does not apply to the way in which the CMS Article IV Secretariats are managed under UNEP. Rather UNEP manages its responsibilities for CMS and the Article IV Agreements collectively as decided by the Executive Director of UNEP under UNEP's mandate. OIOS is of the opinion that there is need to clarify the relationship between the Agreement Secretariats and CMS on one hand and UNEP and UNON on the other.

#### **Recommendation:**

In recognition of the arrangement of the co-location of the Agreements with CMS, the Executive Director of UNEP should



clarify the relationship between the Agreement Secretariats and CMS, UNEP Headquarters and UNON (Rec. 01).

12. *UNEP commented that the recommendation is accepted and will be implemented.* OIOS notes the response and will close the recommendation upon receipt of documentation clarifying the relationship between the Agreement Secretariats and CMS, UNEP Headquarters and UNON.

(b) Relationship between Agreements Secretariats and CMS

13. CMS is tasked to provide administrative support to the Agreement Secretariats. However, what this means in practice, is not clear. This is being addressed as part of UNEP's review of administrative support to Conventions, which was ongoing at the time of the audit. Consequently, no recommendation is raised, but the issue is noted for follow up as part of any future audit of CMS.

(c) Provision of services to Agreement Secretariats

14. The services provided, the roles and respective responsibilities of those involved, and the processes and procedures of how services are to be delivered have not been documented or discussed in a way that each Agreement Secretariat has a clear understanding of what is expected of it and what it can expect from CMS.

**Recommendation:**

To ensure that CMS and its co-located Agreement Secretariats operate efficiently and effectively within the UN environment, the Head of the CMS should sit down with the Heads of the Agreement Secretariats and draw up guidelines outlining the services provided, respective roles and responsibilities, and entering into discussion into how these services will be provided in accordance with UN Regulations and Rules (Rec. 02).

15. *UNEP commented that the recommendation is accepted and will be implemented.* OIOS notes the response and will close the recommendation upon receipt of guidelines outlining the services provided to Agreement Secretariats, and the respective roles and responsibilities of all parties involved in the provision of the services.

**B. Host Country Agreement**

16. The Federal Republic of Germany (FRG) has not responded to CMS on the issue of refunding Value Added Tax incurred by the Agreement Secretariats. This amounts to approximately US\$12,000 for the period January 2002 to December 2003.

**Recommendation:**

The Head of CMS should consult with the German Government and if necessary, seek assistance from the Office of the Executive Director of UNEP in following up on the refund of Value

Added Tax for Agreement Secretariats amounting to approximately US\$12,000 for the period 2002-2003 (Rec. 03).

17. *UNEP commented that the recommendation is accepted and will be implemented.* OIOS notes the response and will close the recommendation upon notification of the amount of Value Added Tax (for Agreement Secretariats) refunded by the German Authorities (noted at the time of audit in August 2004 as approximately US\$12,000 for the period 2002-2003).

### **C. Financial Management**

#### **(a) Income / Contributions**

18. The audit confirmed that there are adequate arrangements in place to ensure contributions are received and accounted for in accordance with UN Regulations and Rules.

#### **(b) Unpaid Pledges**

19. As recommended in the previous audit (AA2000/12/1/103) unpaid pledges amounting to US\$10,500 were written off and the recommendation has been closed. However, at the time of audit CMS had unpaid pledges outstanding for over four years totaling US\$12,900, which, in the opinion of OIOS, should also be brought to the attention of CMS Conference of the Parties in accordance with UNEP Policy on Write off of Convention Trust Funds.

#### **Recommendation:**

In accordance with UNEP Policy on write off of Convention Trust Funds, the Head of CMS should bring to the attention of the next meeting of the Conference of Parties the unpaid pledges amounting to US\$12,900 for decision (Rec. 04).

20. *UNEP commented that the recommendation is accepted and will be implemented.* OIOS notes the response and will close the recommendation upon notification of the decision of the Conference of Parties regarding the unpaid pledges amounting to US\$12,900 at the time of the audit in 2004.

#### **(c) Certification and Approval functions**

21. OIOS did not raise a formal recommendation in its last audit (AA2000/12/1), as CMS had indicated that when its vacant posts were filled, there would be sufficient staff to segregate the functions of certification and approval to ensure consistency with ST/AI/256 on Separation of Responsibilities and Duties of Cheque Signatories and Finance Officers Designated as Approving Officers. Whilst CMS had improved arrangements since the last audit OIOS noted one serious exception where a supplier performed work before the contract had been certified and approved .

#### **Recommendation:**

To ensure accountability and compliance with UN Financial Rule 105.7; the Head of CMS should put in place a mechanism to ensure commitment and obligation of funds prior to delivery of goods and/or services. Key to this is ensuring that staff understand their responsibilities for these functions, and have the necessary training and resources to carry them out (Rec. 05).

22. *UNEP commented that the recommendation is accepted and will be implemented.* OIOS notes the response and will close the recommendation upon notification of the mechanism to ensure commitment and obligation of funds prior to delivery of goods and/or services, in compliance with UN Financial Rule 105.7.

(d) Financial Reporting / Imprest Account

23. The audit team confirmed that there has been no change since the last audit and CMS has put in place adequate arrangements and procedures for financial reporting and control of the imprest account.

(e) Petty Cash

24. As recommended (AA2000/12/1/105) CMS created a permanent file documenting policies on the management and use of petty cash and the recommendation has been closed. At the time of the audit, the audit team noted that the petty cash fund had not been used since November 2003, and discussion with CMS staff raised doubts as to the continued need for this fund.

**Recommendation:**

The Head of CMS should review the continued need for the petty cash fund. If a need is established for its continued use, care should be taken to ensure that it is compliant with the UN Financial Rule 104.8 (Rec. 06).

25. *UNEP commented that the recommendation is accepted and will be implemented.* OIOS notes the response and will close the recommendation upon notification of the results of the review whether to continue with the petty cash fund.

(f) Bank Signatories

26. OIOS recommended (AA2000/12/1/104) that CMS should put in place arrangements for raising bank transfer vouchers when payment is effected through the bank. This recommendation has been overtaken by events and has been closed. CMS now uses an electronic bank transfer mechanism and keeps an adequate record of the bank transfers. A spot check confirmed that electronic bank transfer payments were properly authorised by at least two of the approved bank signatories as required by UN Financial Rule 104.4 (c).

(g) Bank Reconciliation

27. Though a formal recommendation was not raised in the prior OIOS report, as agreed, CMS has ensured adequate arrangements for segregation of duties of the Finance Assistant.

**D. Human Resources Management**

(a) Management of staffing table

28. There was no mechanism in place to ensure that the staffing table held in UNON agreed with the records held by the Office of the Deputy Executive Director and those held by CMS.

**Recommendation:**

To ensure the completeness and accuracy of the CMS staffing table, the CMS Administrative and Fund Management Officer should liaise with the Office of the Deputy Executive Director of UNEP and UNON Systems Support Unit to put in place procedures to facilitate a flow of information between the three offices sufficient to ensure that all three have an accurate and complete copy of CMS staffing table (Rec. 07).

29. *UNEP commented that the recommendation is accepted and will be implemented.* OIOS notes the response and will close the recommendation upon receipt of a copy of the procedures put in place to ensure CMS, the Office of the Deputy Executive Director of UNEP, and the UNON Systems Support Unit have an accurate and complete copy of the CMS staffing table.

(b) Recruitment of staff

30. At the time of the audit, CMS was operating at about 50 percent of its official staff strength. OIOS was particularly surprised to note that though the Executive Secretary was retiring at the end of July 2004, the vacancy notice was advertised with a deadline of 20 July 2004 and the post of Deputy Executive Secretary was also vacant.

31. Furthermore, various posts for co-located Agreement Secretariats have been advertised or are pending approval for reclassification to higher levels. OIOS concluded that the problem is caused by inadequate arrangements between UNEP Headquarters and UNON for handling recruitment requests of Offices Away from Nairobi Headquarters in a timely manner, which is partly explained by problems experienced in getting Galaxy operational within UNEP and CMS.

**Recommendation:**

To ensure timely recruitment and to ensure that arrangements exist for temporarily filling posts where recruitment cannot be completed before departure, the Deputy Executive Director of UNEP should initiate a review into current UNEP / UNON practices for dealing with recruitment of staff for Offices Away from Nairobi

Headquarters. In the short term every effort should be made to bring CMS back to its full compliment which will reduce the need for consultants and individual contractors and the risk of their misuse (Rec. 08).

32. *UNEP commented that the recommendation is accepted and will be implemented.* OIOS notes the response and will close the recommendation upon notification of the outcome of the review into current UNEP / UNON practices for dealing with recruitment of staff for Offices Away from Nairobi Headquarters.

(c) Consultants

33. CMS and the three co-located Agreement Secretariats used 54 consultants for the period January 2002 to June 2004. The current system for awarding contracts needs to be strengthened for the following reasons:

- a) A roster was not being used and often selection of consultants was not based on evaluation of at least three candidates as recommended by sections 4.1 and 4.2 ST/AI/1997/7 on Consultants and Individual Contractors.
- b) No documentation that when consultants' contract period exceeded a period of 6 months, formal evaluation of the work performed was carried out as required by section 3.13 of ST/AI/1999/7.
- c) The nationality was concentrated mainly in one location and there were no Guidelines on how General Service consultant's fee was determined. Thus, the audit team could not ascertain the basis of the fees.

**Recommendation:**

To ensure full compliance with ST/AI/1999/7 on Consultants and Individual Contractors, the Head of CMS should create a roster from which candidates can be selected competitively and which includes different nationalities and genders. Procedures also need to be developed explaining the basis for determining fees, and how consultant performance will be evaluated (Rec. 09).

34. *UNEP commented that the recommendation is accepted and will be implemented.* OIOS notes the response and will close the recommendation upon notification of the establishment of the consultants' roster and a copy of the procedures explaining the basis for determining fees, and how consultant performance will be evaluated.

(d) Individual Contractors

35. CMS hired 90 individual contractors in the period January 2002 to June 2004, and the following weaknesses were observed in current arrangements for their selection and use:

- a) One individual contractor was used continuously from January 2002 to the time of audit in breach of ST/AI/1999/7, which provides that no individual may serve as an individual contractor for more than nine work months in any period of twelve consecutive months without the approval of the Office of Human Resources

Management (OHRM). The audit team verified that neither HRMS of UNON nor OHRM had authorized the continued use of this individual contractor. No justification for prior arrangements was available for review, but CMS explained that the draft budget proposal for 2006-2008 includes justification for review by the Conference of the Parties to establish a G-6 post.

- b) There was no mechanism for formal evaluation of individual contractors who exceed a period of 6 months as required by section 5.13 of ST/AI/1999/7.
- c) The nationality was concentrated mainly in one location.
- d) A roster was not kept and used, and individual contractors were often not competitively selected as required by sections 4.1 and 4.2 of ST/AI/1997/7.

36. As the problem is adequately addressed under Consultants section of this report, no additional recommendation is therefore raised.

(e) PAS

37. The audit team confirmed that PAS had been carried out in accordance with ST/AI/2002/3 (Performance Appraisal System) up to the latest cycle where the outgoing Executive Secretary felt it inappropriate to set goals and objectives for staff which might tie the hands of his successor. In addition, he was unable to complete all PAS' for the 2003-2004 cycle before his departure. This problem is linked with that raised above on inadequate arrangements for recruitment. No additional recommendation is therefore raised.

## **E. Facility Management**

(a) Move to new building

38. CMS and its co-located Agreement Secretariats have adequate arrangements in place whereby an official represents and attends all Task Force meetings at all stages of the planning, design and implementation phases to discuss progress with regard to the move planned in Mid-2005 or thereafter.

(b) Maintenance costs in new building

39. Current maintenance costs, estimated to be approximately US\$255,000, have been funded by the German Government annually since the Convention was located in Bonn. The move to the new building should not affect this agreement, based on an exchange of letters with the German Government between 1984 and 1989. *UNEP commented that this exchange was recently re-confirmed by the provisions of the new Headquarters Agreement between the German Government, UNEP and CMS, which came into force in June 2004. Since the audit took place, the Acting Executive Secretary has been assured by the German authorities that the latter will continue to refund all the maintenance costs of CMS (including the co-located Agreements). This assurance was given in the specific context of the proposed transfer of CMS, the Agreements and all other UN agencies in Bonn to a new "UN Campus" in 2005.* In light of this additional information OIOS has withdrawn its recommendation dealing with seeking

confirmation from the German Authorities of their continued intention to pay the CMS maintenance costs in the new building.

#### **F. Procurement**

40. Procurement arrangements for CMS and its three co-located Agreement Secretariats need to be strengthened:

- a) OIOS recommended (AA2000/12/1/106) that CMS should ensure that receiving and inspection reports were prepared. The audit team found that they were missing in 25 percent of cases examined. This recommendation has been closed, and is replaced by the one shown below.
- b) Bids were not always solicited from the minimum number of suppliers recommended in the Procurement Manual. The audit team found this in 56 percent of cases examined.
- c) Justification for sole source procurement actions was not undertaken in accordance with UN Financial Rule 105.16.
- d) Rationale and justification for repeat contracts was not always documented.

#### **Recommendation:**

To strengthen arrangements for procurement, the Head of CMS should review and strengthen existing in-house procedures for selection of suppliers and receipt of goods (Rec. 10).

41. *UNEP commented that the recommendation is accepted and will be implemented.* OIOS notes the response and will close the recommendation upon notification of the outcome of the review to strengthen existing in-house procedures for selection of suppliers and receipt of goods.

#### **G. Asset Management**

42. CMS had an adequate mechanism for safeguarding its assets in accordance with Financial Rule 105.20 and ST/AI/374 on Property Records and Inventory Control, except:

- a) Property with an acquisition value of US\$28,500, which includes donated assets worth approximately US\$5,000, is pending disposal as it is unused and/or obsolete. The Property Survey Board of UNON has not responded since June 2002 and the last reminder sent was in February 2003.
- b) In the absence of an official car, CMS currently has an agreement with a taxi firm. Whilst this arrangement appeared to work well, CMS has not carried out any analysis of its needs combined with a cost comparison against such things as car lease, or car rental

### **Recommendations:**

The Head of CMS should draft a memo from Executive Director of UNEP to Chief Division of Administrative Services, UNON requesting an explanation why after two years CMS still has no response from the Local Property Survey Board on disposal of its equipment (Rec. 11).

43. *UNEP commented that the recommendation is accepted and will be implemented.* OIOS notes the response and will close the recommendation upon notification of the outcome of the request to Chief Division of Administrative Services asking why after two years CMS still has no response from the Local Property Survey Board on disposal of its equipment.

To ensure effectiveness and efficiency with regard to transportation arrangements, CMS should determine what its needs are for transportation and undertake a cost benefit analysis of options to meet these needs, including car lease and car rental as possible alternatives to current arrangements of using taxis (Rec. 12).

44. *UNEP commented that the recommendation is accepted and will be implemented.* OIOS notes the response and will close the recommendation upon notification of the outcome of the review undertaken to determine what its needs are for transportation and the analysis of the options to meet these needs, including car lease and car rental as possible alternatives to current arrangements of using taxis.

## **V. FURTHER ACTIONS REQUIRED ON RECOMMENDATIONS**

45. OIOS monitors the implementation of its audit recommendations for reporting to the Secretary-General and to the General Assembly. The responses received on the audit recommendations contained in the draft report have been recorded in our recommendations database. In order to record full implementation, the actions described in the following table are required:

Recommendation No.	Action Required
Rec. 01	Receipt of documentation clarifying the relationship between the Agreement Secretariats and CMS, UNEP Headquarters and UNON.
Rec. 02	Receipt of guidelines outlining the services provided to Agreement Secretariats, and the respective roles and responsibilities of all parties involved in the provision of the services.
Rec. 03	Notification of the amount of Value Added Tax (for Agreement Secretariats) refunded by the German Authorities (noted at the time of audit in 2004 as approximately US\$12,000 for the period 2002-2003).
Rec. 04	Notification of the decision of the Conference of Parties regarding the unpaid pledges amounting to US\$12,900 at the time of the audit in 2004.
Rec. 05	Notification of the mechanism to ensure commitment and



	obligation of funds prior to delivery of goods and/or services, in compliance with UN Financial Rule 105.7.
Rec. 06	Notification of the results of the review whether to continue with the petty cash fund.
Rec. 07	Receipt of a copy of the procedures put in place to ensure CMS, the Office of the Deputy Executive Director of UNEP, and the UNON Systems Support Unit have an accurate and complete copy of the CMS staffing table.
Rec. 08	Notification of the outcome of the review into current UNEP / UNON practices for dealing with recruitment of staff for Offices Away from Nairobi Headquarters.
Rec. 09	Notification of the establishment of the consultants roster and a copy of the procedures explaining the basis for determining fees, and how consultant performance will be evaluated.
Rec. 10	Notification of the outcome of the review to strengthen existing in-house procedures for selection of suppliers and receipt of goods.
Rec. 11	Notification of the outcome of the request to Chief Division of Administrative Services asking why after two years CMS still has no response from the Local Property Survey Board on disposal of its equipment.
Rec. 12	Notification of the outcome of the review undertaken to determine what its needs are for transportation and the analysis of the options to meet these needs, including car lease and car rental as possible alternatives to current arrangements of using taxis.

## **VI. ACKNOWLEDGEMENT**

46. I wish to express my appreciation for the assistance and cooperation extended to the audit team by management and staff of CMS and UNEP.

Egbert C. Kaltenbach, Director  
Internal Audit Division II  
Office of Internal Oversight Services