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Climate Change

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## **Subsidiary Body for Implementation**

**Forty-third session**

**Paris, 1–4 December 2015**

Item 15(b) of the provisional agenda

**Administrative, financial and institutional matters**

**Audit report and financial statements for 2014**

## **Financial report and audited financial statements for the year 2014 and report of the United Nations Board of Auditors**

**Note by the Executive Secretary**

**Addendum**

**Comments by the secretariat**

### *Summary*

This document should be read in conjunction with the report of the United Nations Board of Auditors (FCCC/SBI/2015/INF.10). It has been prepared to provide comments from the secretariat on the audited report and to specify the initial actions taken to implement the recommendations of the Board. In the “Status of implementation” column of the two tables, “Implemented” indicates that no further action is required, while “Under implementation” indicates that the secretariat has started undertaking the recommended action.

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Table 1  
**Recommendations of the United Nations Board of Auditors for the year ended 31 December 2014**

<i>Recommendations of the United Nations Board of Auditors for the year ended 31 December 2014</i>	<i>Comments by the secretariat</i>	<i>Status of implementation</i>
<p>Recommendation 1, paragraph 15:</p> <p>The Board recommends that UNFCCC strengthens its internal mechanisms to eliminate the possibility of such errors in its future financial statements and ensure their accuracy</p>	<p>The secretariat welcomes the recommendation. Further improvements to the preparation process of the financial statements have been introduced as a result of the audit findings. In addition, the implementation of the Umoja enterprise resource management system will further decrease the risk of undetected errors in the financial statements</p>	Under implementation
<p>Recommendation 2, paragraph 22:</p> <p>The Board recommends that UNFCCC ensure adherence to the formal method of solicitation for procurement actions and the resort to waiver only when the proposed procurement falls clearly within the ambit of the exceptions provided for in the United Nations Financial Rules and Regulations</p>	<p>The secretariat agrees with the recommendation. The criteria for exceptions from formal methods of solicitation provided for in the United Nations Financial Regulations and Rules are being interpreted more conservatively with the aim of reducing the number of exceptions</p>	Under implementation
<p>Recommendation 3, paragraph 27:</p> <p>The Board recommends that UNFCCC ascertain the reasons for non-adherence to the advance purchase policy [for travel tickets] and take effective measures to improve adherence</p>	<p>The secretariat agrees with the recommendation. It is striving to improve adherence to the '16-day policy' by, inter alia, enforcing provision of a justification for non-adherence and regular reporting on adherence and non-adherence to the Executive Secretary</p>	Under implementation
<p>Recommendation 4, paragraph 32:</p> <p>The Board recommends that UNFCCC develop a monitoring and recovery mechanism of outstanding travel claims</p>	<p>The secretariat agrees with the recommendation and has intensified the monitoring of outstanding travel claims by (re)training all units on the monitoring and settlement of outstanding obligations (which includes travel claims). In addition, an automated recovery process is in place to recover advances for long-outstanding travel claims from travellers</p>	Implemented

Table 2

**Recommendations of the United Nations Board of Auditors for the biennium ended 31 December 2013**

<i>Recommendations of the United Nations Board of Auditors for the biennium ended 31 December 2013</i>	<i>Comments by the secretariat</i>	<i>Status of implementation</i>
Paragraph 13, United Nations Board of Auditors report for 2012–2013:  Expedite the settlement of the outstanding balance of the accounts in respect of the sixteenth session of the Conference of the Parties (COP) and COP 17	The outstanding balance relating to COP 17 has been settled. The balance for COP 16 will be settled after a final decision is taken by the donor country on the use/return of the remaining funds	Under implementation