

Key findings from the audit report ([FCCC/SBI/2020/INF.9](#)) on the financial statements of UNFCCC for 2019

Audit opinion

The Board of Auditors has issued an unqualified opinion on the financial statements. They fairly present the financial position of UNFCCC, its financial performance and cash flows.

Status of implementation of 30 recommendations up to 2018 made by the Board of Auditors

Key facts

\$85.2 million	Revenue
\$91.7 million	Expenses
(\$6.4) million	Deficit for the year
\$67.4 million	Accumulated Surpluses and reserves
\$251.8 million	Assets
\$184.4 million	Liabilities
\$32.9 million	Core budget; outstanding: \$14.7 million
390	Staff

Implemented	13 (43%; previous year: 50%)
Under implementation	16 (3 of these pertain to the alignment of UNFCCC-specific policies. UNFCCC should close the legal gap with priority.)
Overtaken by events	1

Key audit findings

Accumulated surplus on the special account for PSC	<ul style="list-style-type: none"> ➤ \$12.7 million net assets accrued on the special account for programme support cost (PSC; administrative overhead). ➤ Operating reserve stands at 130 per cent of annual PSC income, while UN stipulates 20 per cent. ➤ No income or expenditure plans.
Progress made in restructuring the secretariat	<ul style="list-style-type: none"> ➤ No clear set of criteria in place to assess target achievement of restructuring. ➤ New Organizational Development and Oversight (ODO) unit to monitor target achievement, but ODO post descriptions in draft status available only in 05/2020 and posts to be filled by 12/2020. ➤ UNFCCC established 20 more posts than the 471 posts included in 2020 budget proposal and varied the split by units. The proposed work programme did not reflect this.
Institutional linkage and delegation of authority	<ul style="list-style-type: none"> ➤ Since 1995/1996, UNFCCC has been institutionally linked to the UN. In 2007, General Assembly endorsed to continue until further notice. No further review has been documented. ➤ Inconsistencies in the procedure of delegating authority for human resources, finance and budget, procurement and property management to the current ES. Only for procurement and property management the authority was delegated in a memorandum to the current ES. ➤ Delegation of authority for human resources not renewed since 1996. Delegation of authority for finance and budget to the function of the ES derives from Decision 15/CP.1. It was not documented that current ES has accepted these delegations.