



Executive Council

101st session
Medellín, Colombia, 13 September 2015
Provisional agenda item 2(f)

CE/101/2(f)
Madrid, 25 August 2015
Original: English

Administrative and statutory matters

(f) Report of the Programme and Budget Committee Working Group assessing the implementation of recommendations provided by the Joint Inspection Unit and the External Auditors

I. Introduction

1. At its 98th session, the Executive Council (EC) took up the report from the Joint Inspection Unit (JIU) on the follow-up inspection of the 2009 review of the Management and Administration at the UNWTO (CE/98/3(II)(e)). It also took up the report from the External Auditors (EA) on the Administrative accounts for the financial year 2013 (CE/98/3(II)(d)). Both reports provided recommendations on the administration and management of the UNWTO. In relation to the recommendations contained in those reports, the 98 EC decided on them as follows:

(a) On the report from the JIU, the EC took note of the report by the Joint Inspection Unit and requested the Programme and Budget Committee to review the potential implementation of its recommendations—including the issues of mandate and number of external auditors—and to report back at a future session of the Executive Council before the twenty-first session of the General Assembly (ref CE/DEC/12(XCVIII)).

(b) On the report from the External Auditors, the EC welcomed the proposal of Germany to extend the role of the auditors to include the issues of compliance and performance and requested the Programme and Budget Committee to review such proposal and to formulate a recommendation to the Executive Council, also taking into consideration the recommendations put forward by the JIU Report (ref. CE/DEC/11(XCVIII)).

2. At its 5th meeting, the Programme and Budget Committee took up document PBC/05/2 on the review of recommendations provided by the JIU and EA reports, and agreed to assessing all these recommendations so that an implementation plan could be prepared. This implementation plan, if approved, would become part of the White Paper Implementation Plan (ref. CE/99/6).



II. Assessment process

3. The Programme and Budget Committee, at its 5th meeting, adopted a roadmap for conducting the assessment, as described in PBC/05/2 (ref. CE/99/6). Accordingly, it constituted a working group which has held four meetings, as follows:

(a) First meeting (Samarkand, 2 October 2014). In this meeting held face to face, the mechanics of the operation of the working group were discussed and focal points from each member were requested in addition to focal points from the countries providing external auditors. At that first meeting, members requested the Secretariat to provide background on the recommendations to be assessed and the corresponding implications in case of their acceptance.

(b) Second meeting (Multi Video Conference, 18 November 2014). This meeting was held through video conference. For this meeting the Secretariat prepared a working paper with a possible categorization of recommendations into four clusters: accepted, under consideration, not accepted and not applicable. Further, the Secretariat also provided tables with specific comments on the status of each recommendation. The working group debated on this categorization and the way recommendations should be classified.

(c) Third meeting (Multi Video Conference, 16 December 2014). This meeting was held through video conference. For this meeting the Secretariat prepared a summary of the discussions and conclusions of the second WG meeting and following request of the WG, a new table elaborating additional considerations targeting the recommendations seen in the previous meeting as “under consideration”.

(d) Fourth meeting (Multi Video Conference, 10 February 2015). This meeting was held through video conference. For this meeting the Secretariat prepared a summary of the discussions in the third WG meeting and an interim report which has served as the basis of this document.

4. The working group members formulated questions and comments either during sessions or in written form in between them to the working documents prepared by the Secretariat. This process of debate has shaped the assessment described in this report. The role of the Secretariat has been to provide working documents for discussion and clarify issues raised by Members. The current version of this report has been adopted by the Working Group participants through written procedure.

5. The Programme and Budget Committee at its 6th session in Rovinj, Croatia, approved the report prepared by the Committee’s Working Group and requested the Secretary-General to transmit the report to the 101st session of the Executive Council for its adoption (ref. CE/100/4 paras. 24 and 25). An oral briefing of the report was presented by the PBC Chair to the Executive Council at its 100th session. Further, in relation to the issue concerning the number and mandate of External Auditors, the Committee requested the Secretary-General to provide its assessment to the General Assembly (ref. A/21/8(II)(e)).

III. Assessment outcome

6. The Programme and Budget Committee has concluded its assessment as follows:

(a) The UNWTO is grateful to the JIU and the EA for their invaluable insight and the review processes undertaken on the management and administration of the Organization. The need for

having a modern, responsive and transparent Organization is reaffirmed, and it is seen that recommendations provided by the JIU and the EA are very relevant and helpful to this end.

(b) By the same token, the Organization is conscious of the fiscal burden its operation imposes on its Members and therefore the need to carefully prioritize its resources, so that unnecessary bureaucracy is avoided and implementation of the Organization's mandate is maximized.

(c) The Working Group, having these considerations in mind, is of the view that from the overall 157 recommendations and based on the analysis made, 112 are accepted, 1 is not applicable and 7 are not acceptable.

(d) From the remaining 37 recommendations and based on the analysis made, 12 are not to be followed for implementation as the cost of their implementation is seen to exceed their potential benefits, 17 are also not to be followed for implementation as they are seen as components of an Internal Control System beyond UNWTO's regulatory requirements, which in the present financial environment and for the size and resources of the UNWTO is seen to exceed its needs, and 8 are to be implemented partially in a cost-effective manner.

(e) Furthermore, for the 3 recommendations accepted whose implementation is pending, the Programme and Budget Committee concurs with the recommendation to modify the Statutes to reduce the number of external auditors to one. Until the amendment of the Statutes can enter into force, the role of each auditor will be differentiated in accordance with the Financial Regulations. The Programme and Budget Committee also concurs with the establishment of a policy on voluntary contributions, and an indicative scale for voluntary contributions, perhaps within the framework of the ODA working group.

(f) The annex reflects the status of acceptance/non-acceptance of recommendations and the way each accepted recommendation is intended to be implemented.

IV. Proposed roadmap for adoption of the assessment

7. The Programme and Budget Committee submits this report to the 101st session of the Executive Council for adoption.

8. It is also noted that recommendations to be accepted are to become part of the implementation plan of the White Paper, this document being approved by the General Assembly. Further, the reduction in the number of External Auditors to one involves a statutory change requiring actual approval by the General Assembly. Consequently, the Executive Council's report to the General Assembly could include, in addition to this assessment, the need to revert to the 22nd session of the General Assembly for (i) updating the implementation plan of the White Paper, (ii) seeking authorization as appropriately modifying the Statutes concerning the number of External Auditors, (iii) approving the adjustments needed in the Financial Regulations in relation to the mandate and number of External Auditors and (iv) to request the General Assembly to entrust the EC with the provisional implementation of the report until a new version of the White Paper Implementation Plan is approved, including adjusting the Financial Regulations as required.

V. Actions to be taken by the Executive Council:

9. The Executive Council is invited:
- (a) To thank the JIU and the EA for their invaluable insight and the review processes undertaken on the management and administration of the Organization and to reaffirm the need for having a modern, responsive and transparent Organization;
 - (b) To propose to the General Assembly to consider the Programme and Budget Committee's recommendation on reducing the number of external auditors to one (paragraph IV.8(ii));
 - (c) If so, to also consider the proposal of the Secretariat and request the General Assembly to elect one single auditor until the amendment of the Statutes on the above recommendations enter into force;
 - (d) To approve the assessment prepared by the Programme and Budget Committee, including the annex to this document, as proposed;
 - (e) To entrust the Secretary-General with the provisional implementation of this assessment until an updated version of the White Paper Implementation Plan could be approved at the 22nd General Assembly; and
 - (f) To request the Secretary-General to report through the White Paper implementation plan on the status of implementation of these recommendations at the 22nd session of the General Assembly, including on the modifications needed in the Statutes and the Financial Regulations in relation to the mandate and number of External Auditors.

Annex I. JIU/REP/2014/5. Follow-up inspection of the 2009 review of Management and Administration in the World Tourism Organization

No.	Text of the Recommendation	Status in UNWTO	Assessment	Comments
1	The UNWTO General Assembly should provide the required resources to permit the use of Chinese language as an official language of the Organization in accordance with UNWTO General Assembly resolution 521 (XVII)	Implementation requires entry into force of the amendment to article 38 of the Statutes. This amendment has not yet received ratification by two thirds of the Members and is therefore not enforceable	accepted, in progress	(i) Remind Members who have not yet ratified amendment of the Statutes to do so, (ii) seek voluntary contributions to enable interim implementation of the recommendation
2	The UNWTO General Assembly should in-source the internal audit, inspection, evaluation, investigation and monitoring functions to any other organization in the United Nations system that has the capacity to respond	No formal oversight unit exists. Some functions partially discharged in-house. Gap analysis of Internal Control systems being prepared	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements
3	The Secretary General should develop modalities of cooperation with the respective foundations and offices and submit them to the 2011 UNWTO General Assembly for consideration and approval, together with the outcome of the mentioned JIU investigation on the subject	No JIU investigation was ever carried out. See actions 42 and 43 of A/20/5(l)(e). Reform of relations with entities on track	accepted, in progress	New arrangements are being developed for Nara, Bonn, Themis and STEP. Other entities have become non-controlled.
4	The Secretary General should elaborate a detailed phased work plan, including necessary resources, for the implementation of IPSAS and submit it to the General Assembly for approval	JIU considers this recommendation as implemented by the Secretariat. Nevertheless, points out work on IPSAS is still ongoing	accepted, implemented	Continue with implementation of new financial system
5	The Secretary General should ensure that written summary records/minutes of the governing body meetings are duly produced	By decision of the Governing Bodies, summary records were discontinued. Nevertheless, each governing body meeting has a report with the decisions taken and fully discussed prior to its adoption. Further, audio tapes of meetings are kept.	partially accepted, electronic records of Governing Bodies discussions to be kept by Secretariat	use technologically efficient systems
6	The practice of appointing the Executive Director of Affiliate Members by a single Member State should be discontinued. The position may be financed from extra-budgetary resources, but the selection process has to be done according to an open, competitive and transparent recruitment process. The Inspector recommends that the earliest opportunity be found for a renegotiation of the issue with the host country and that the cost of that post be reasonably shared by all member states in the interest of compliance with the principle of equal rights and equal duties for full members.	The Program Director of Affiliate Members is under a non-staff contract paid through a voluntary contribution of a Member. The SG chooses amongst several candidates	partially accepted, to expand Secretary General's choice of candidates from Member financing the Fund-in-Trust	

7	<p>The UNWTO General Assembly should endorse the results-based management (RBM) framework developed by the JIU and request the Secretariat to use it in the implementation of RBM.</p> <p>The Secretary-General, making use of the results based benchmarks and framework developed by the JIU, should present to the Programme and Budget Committee in 2015 a report demonstrating how, within its particular constraints in terms of size and resources, the Secretariat has moved towards the implementation of the results-based management (RBM).</p>	<p>The Secretariat prepares a results-based program of work, as the foundation to its program and budget and recurrently reports on its implementation. Present report to the PBC in 2015 on the status of implementation of RBM.</p>	<p>partially accepted: (i) Members could assess information gaps required in the program of work and its implementation (ii) new approaches to formulating, implementing and reporting/ evaluating the program of work could be explored</p>	
8	<p>The Secretary General should develop a rule defining the exceptional circumstances under which the extension of contracts over the age of retirement could be granted</p>	<p>As a general rule, staff leaves on the planned retirement date. Exceptional extensions of up to two years of highly qualified staff have been made fully in compliance with staff regulation 28</p>	<p>partially accepted, Secretary General to report to the Executive Council extensions beyond retirement age other than for securing overlap with new incumbent</p>	
9	<p>The UNWTO General Assembly should modify the Statutes of the Organization in order to provide for the selection of a single external auditor with a specified term limitation as well as country rotation</p>	<p>Statutes (art 26.1) indicate there shall be two auditors. In 2013 three auditors were appointed by the GA (A/RES/627(XX)) up to 2015</p>	<p>Accepted, implementation pending</p>	<p>Propose GA to modify statutes of UNWTO to reduce to one external auditor. Prioritize auditors' mandate in view of resources. Separate auditors' mandate in Financial regulations until amendment were ratified</p>
10	<p>It is suggested that the Secretary General review the functions, staffing (with status and grades), costs (gross and net from any compensation of services with the UN Women Fund) of the UNWTO New York Liaison Office and submit a report thereupon to the Executive Council (item newly raised)</p>	<p>n.a.</p>	<p>accepted, in progress</p>	<p>The Secretariat to prepare a report on the functions, staffing and costs of UNWTO's liaison office</p>
11	<p>The Inspector suggests that the Secretary General submit to the General Assembly a draft UNWTO accountability framework, taking into account similar successful initiatives carried out within the United Nations system (item newly raised)</p>	<p>n.a.</p>	<p>not accepted</p>	<p>Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements</p>
12	<p>The Inspector invites the UNWTO to take advantage of the benefits of ERM as indicated in the box 2 of the JIU/REP/2010/4 "Review of Enterprise Risk Management in the United Nations System: Benchmarking Framework" and the benchmarks for successful ERM implementation contained in box 1 of the same report (item newly raised)</p>	<p>n.a.</p>	<p>not accepted</p>	<p>Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements</p>

13	The Secretary General could, in the context of the appointment of the EDs, formulate and publish formal job descriptions and inform the UNWTO governing bodies on measures to enhance the transparency of their grade, selection and appointment process (item newly raised)	The Secretary General informs the Executive Council of the structure of the Secretariat and of his choice and terms of EDs	Partially accepted, Job descriptions for Executive Directors to be prepared and Executive Council informed of Secretary General's choices	
14	The Inspector is of the view that the Secretary General could take measures to improve the gender balance at the senior grade level (item newly raised)	5 of the 18 staff at grades P5 and above are female	accepted, in progress	Vacancies at senior levels provide opportunities to improve gender balance
15	The Inspector suggests that the Organization request selected Affiliate Members (if they are so inclined) to deliver training on tourism related topics for its staff at no cost (item newly raised)	n.a.	not accepted	Costs of implementation may exceed benefits
16	The Secretary General could draft, in consultation with the UNWTO Staff Association, a policy and relevant staff rules on flexible working arrangements within the Secretariat (item newly raised)	The Secretariat has incorporated over time a number of flexible working arrangement features	not accepted	Costs of implementation may exceed benefits
17	It is suggested that this forthcoming report (by the JIU on non-staff) be used to review the employment of non-staff personnel in liaison with the Human Resources network of the CEB (item newly raised)	Currently the Secretariat has in addition to staff, employed collaborators, interns and officials on loan	accepted, in progress	new policies on non-staff employees are being prepared

JIU/REP/2007/1. Voluntary Contributions in the United Nations

No.	Text of the Recommendation	Status in UNWTO	Assessment	Comments
18	The legislative bodies of each United Nations fund and programme should establish an intergovernmental working group to develop proposals for a voluntary indicative scale of contributions for core resources, based on the model adopted by UNEP, for the consideration and approval of the legislative bodies.	UNWTO has established a working group of Member States to consider voluntary contributions within ODA's framework	accepted, implementation pending	Mandate of ODA WG could be reviewed to include development of an indicative scale of voluntary contributions
19	Executive heads should develop, or continue to develop, flexible funding modalities, such as thematic funding and pooled funding, for the consideration and approval of the legislative bodies.	UNWTO could consider proposals for voluntary contributions	accepted, in progress	UNWTO could establish policy on voluntary contributions considering donor's requirements, POW relevance of projects and Secretariat means to handle them
20	Executive heads should review the existing policies and procedures of their respective organizations that guide interactions with donor countries and revise them, as appropriate, to ensure that those interactions are conducted in a systematic and open manner.	Review panel for assessing proposals to be conducted through voluntary contributions is being introduced	accepted, implementation pending	UNWTO could establish policy on voluntary contributions considering donor's requirements, POW relevance of projects and Secretariat means to handle them
21	The legislative bodies of United Nations system organizations should request their respective executive heads to expedite work on the harmonization of support cost recovery policies that is currently being carried out under the auspices of the United Nations System Chief Executives Board for Coordination (CEB).	UNWTO has established specific detailed financial rules for voluntary contributions, including cost recovery based on UN practice	accepted, implemented	
22	The legislative bodies of United Nations system organizations should request their respective executive heads to ensure that agreements negotiated with individual donor countries for associate expert/junior professional officer programmes include a funding component for candidates from under- and unrepresented countries.	Policies for experts of loan have been approved, including funding	accepted, implemented	

23	The legislative bodies of United Nations system organizations that have not already done so should request their respective executive heads to develop a corporate resource mobilization strategy for the consideration and approval of the legislative bodies.	UNWTO has a program specifically tasked for resource mobilization and its policies	accepted, in progress	Policies on Resource Mobilization are being developed
24	Executive heads should ensure that the resource mobilization strategy developed for their respective organizations includes a centralized coordinating entity and that the roles, responsibilities and any delegated authorities for resource mobilization are clearly specified in appropriate administrative instruments.	UNWTO has a program specifically tasked for resource mobilization and its policies	accepted, in progress	Policies on Resource Mobilization are being developed

JIU/REP/2008/6. Review of Management of Internet Websites

No.	Text of the Recommendation	Status in UNWTO	Assessment	Comments
25	The executive head of each United Nations system organization should ensure that clear policies and corresponding mechanisms are adopted for the good governance and management of the organization's website.	UNWTO's website is under the coordination of Communications with ICT providing technical support	accepted, in progress	web policies, guidelines and technology are being upgraded
26	The executive heads of each United Nations system organization should ensure that the website strategy be regularly updated and linked with and taking account of the other business strategies of the organization and report on the measures taken to the governing body on a regular basis.	UNWTO's website is under the coordination of Communications with ICT providing technical support	accepted, in progress	web policies, guidelines and technology are being upgraded
27	The executive head of each United Nations system organization should ensure that policies and guidelines are in place that, among other things, specify requirements and standards relating to (a) web layout and design; (b) editorial control and review of web content and (c) web accessibility.	UNWTO's website is under the coordination of Communications with ICT providing technical support	accepted, in progress	web policies, guidelines and technology are being upgraded
28	For relevant, timely and high quality website content, the executive head of each United Nations system organization should ensure the implementation of a CMS which offers full support to Latin, non-Latin and bi-directional scripts and, as far as practicable, be compatible with CMS used by other organizations. When selecting an appropriate CMS, they should give serious consideration to adopting common information exchange standards and also consider the benefits of a common CMS across the United Nations system.	A Latin, non-latin and bi-directional scripts CMS has been designed in view of UNWTO's needs. It works on an open source format shared by many UN organizations	accepted, implemented	
29	The executive head of each United Nations system organization should ensure that sufficient and sustained funding for staffing and training are allocated to website management. If such funding could not be provided through redeployment or other means, it should be reported to the governing body for its consideration in order to implement those recommendations contained in this report, which have financial implications, inter alia, CMS, staffing, training, language parity, adoption of common information exchange standards, etc.	Specific funding for website management has been allocated by the UNWTO through the use of a dedicated provision. Website regular operations will need to be integrated into the regular budget	accepted, implemented	Include in formulation of next program and budget proposal

30	<p>The governing bodies of the United Nations system organizations should establish an ad hoc committee dealing with the implementation of multilingualism on their corporate websites.</p> <p>The governing bodies shall review the report submitted by the ad hoc committee on the measures and financial implications to achieve language parity on their websites and take appropriate action.</p>	UNWTO follows CEB recommendations	accepted, implemented	
31	<p>The executive heads of the United Nations system organizations should establish a mechanism reporting to the HLCM, with the participation of all stakeholders, for coordination purposes and to establish common policies, standards and guidelines on websites.</p>	UNWTO follows CEB recommendations	accepted, implemented	
32	<p>The governing bodies of United Nations system organizations should request the executive heads to report to their next session on the implementation of the recommendations contained in this report addressed to the executive heads, in particular those aimed at reforming website governance, updating website strategy and policy, and implementing multilingualism.</p>	Web reform was reported to UNWTO's Governing Bodies	accepted, implemented	

JIU/REP/2009/8. Selection Executive Heads

No.	Text of the Recommendation	Status in UNWTO	Assessment	Comments
33	The legislative bodies of the United Nations, specialized agencies and IAEA, which have not yet done so, should conduct hearings/meetings with candidates running for the post of executive head, in order to enhance transparency and credibility of the selection process and to make the process more inclusive of all Member States.	Candidates to Secretary General are heard by the Executive Council. On this basis, the EC recommends the General Assembly a preferred candidate to the position of Secretary General	accepted, implemented	
34	In order to enhance transparency and ensure accountability in the appointment process of executive heads of the United Nations funds, programmes, other subsidiary organs and entities, the Secretary-General of the United Nations, in consultation with the organizations concerned, should: (a) Issue vacancy announcements for all the posts of executive head on the organization's website and in public media, such as relevant journals, periodicals and newspapers; (b) Establish criteria and terms of references, including required competencies, qualifications and experience, expected to be possessed by candidates for the said posts of executive head; (c) Establish rigorous criteria and procedures for screening candidates for the posts of executive head of the United Nations funds, programmes, other subsidiary organs and entities, and for interviews with candidates conducted by the ad hoc panels and by the Secretary-General;	UNWTO follows this practice	accepted, implemented	
35	In order to enhance transparency of the appointment of executive heads of the United Nations funds, programmes, other subsidiary organs and entities, and to make the process more inclusive of Member States, the Secretary-General should ensure that hearings/meetings be conducted with the shortlisted candidates by members of the executive boards, advisory committees and/or the other legislative bodies of the United Nations funds, programmes, other subsidiary organs and entities.	UNWTO follows this practice	accepted, implemented	
36	The legislative bodies of the United Nations system organizations, which have not yet done so, should establish timelines for the selection process of their executive heads ending at least three months before the expiring date of the mandate of the incumbent, in order to ensure a smooth transition between the incumbent and the incoming executive head.	The Secretary General is appointed by the General Assembly which holds its meeting in the late summer or early fall. The outgoing Secretary General completes its mandate by end-December of that year, ensuring a smooth transition.	accepted, implemented	

37	The legislative bodies of the United Nations system organizations should request all candidates for the post of executive head to submit, together with their curriculum vitae, a certificate of good health signed by a recognized medical facility.	UNWTO follows this practice	accepted, implemented	
38	The legislative bodies of the United Nations system organizations should adopt provisions to limit the terms of their executive heads to a maximum of two successive terms not exceeding five years each, if such provisions have not yet been adopted.	General Assembly decided to amend art 22 of the statutes, limiting renewal of mandate to be only once	accepted, implemented	
39	The legislative/governing bodies of the United Nations system organizations should condemn and prohibit unethical practices such as promises, favours, invitations, gifts, etc., provided by candidates for the post of executive head or their supporting governments during the selection/election campaign, in return for favourable votes for certain candidates.	Document CE/94/6 clarifies practices to be followed for the appointment of Secretary General	accepted, implemented	
40	The CEB, in consultation with ICSC and based on its comparative study of the salary scales and allowances of executive heads in the United Nations system, should develop common criteria for providing a basis for the determination of salary scales and allowances for executive heads of the specialized agencies and IAEA by their respective legislative bodies.	n.a.	not applicable	UNWTO benchmarked SG's remunerations in reference to other Executive Heads of U.N. Specialized Agencies
41	The legislative bodies of the United Nations system organizations should adopt provisions comprehensively addressing conflicts of interest pertaining to, and/or wrongdoing/misconduct allegedly committed by, executive heads, if such provisions have not yet been adopted.	CE/94/6 on appointment of SG and CE/94/3(III)(e) on implementation of an ethics function are applicable to the Secretary General	accepted, implemented	Handled through the ethics function (outsourced to UNOPS)

42	The legislative bodies of the United Nations system organizations should direct the internal oversight or ethics office/function, as appropriate, or JIU to conduct investigations into alleged cases of wrongdoing or misconduct, including retaliation and irregularities relating to financial disclosure statements, allegedly committed by executive heads of system organizations. The investigating authority should report the outcome of the investigation directly to the legislative body of the respective organization for action on the matter. The JIU, however, can undertake on its own initiative such investigations, should it so decide.	CE/94/6 on appointment of SG and CE/94/3(III)(e) on implementation of an ethics function clarify process to be followed in such case	accepted, implemented	
43	The legislative bodies of FAO, IAEA, ILO, IMO, UNESCO, UPU, WHO, and WIPO should establish a financial disclosure statement policy applicable to their executive heads.	n.a.	not applicable	UNWTO's Executive Head provides a financial disclosure statement
44	The legislative bodies of the United Nations system organizations should establish rigorous policies regarding the acceptance of gifts, honours, decorations, etc., by their executive heads, where no such policies currently exist.	CE/94/6 on appointment of SG and CE/94/3(III)(e) on implementation of an ethics function clarify process to be followed in such case	accepted, implemented	policy on gifts existing at Secretariat
45	The legislative bodies of the United Nations system organizations should include in the terms of appointment of their executive heads a provision for a possible termination allowance based on ICSC standards, where such a provision is missing.	Secretary General contract provides for other allowances (including indemnity upon termination) in accordance with UNWTO staff regulations	accepted, implemented	

JIU/REP/2010/3. Ethics

No.	Text of the Recommendation	Status in UNWTO	Assessment	Comments
46	The legislative bodies of the smaller organizations should direct their respective executive heads to put forward proposals for providing the ethics function through either a joint ethics office established by a group of organizations on a cost-sharing basis or in-sourcing to the ethics office of another organization on a cost-sharing/costrecovery basis.	UNWTO has outsourced support for the implementation of ethics function to UNOPS	accepted, implemented	
47	The executive heads should ensure that the post of head of the ethics office in their respective organizations has ethics qualifications and experience as a requirement, and this should be included in the job description for the post and in the vacancy announcement.	UNWTO has outsourced support for the implementation of ethics function to UNOPS	accepted, implemented	
48	The executive heads should ensure that the vacancy for the appointment of the head of the ethics office in their respective organizations is open to both internal and external candidates on an equal basis, and that the vacancy announcement is widely publicized.	UNWTO has outsourced support for the implementation of ethics function to UNOPS	accepted, implemented	
49	The executive heads should ensure that the vacancy announcement for the appointment of the head of the ethics office in their respective organizations is prepared in full consultation with the staff representatives.	UNWTO has outsourced support for the implementation of ethics function to UNOPS	accepted, implemented	
50	The executive heads should ensure that a staff representative serves on the appointment board for the selection of the head of the ethics office.	UNWTO's management discussed with the Staff association the selection of UNOPS as service provider	accepted, implemented	
51	The legislative bodies should direct their respective executive heads to apply term limits to the appointment of the head of the ethics office, which should be a nonrenewable appointment of seven years, or no more than two consecutive appointments of four or five years, with no possibility of re-employment by the same organization.	Not applicable as function outsourced to UNOPS	accepted, implemented	

52	The legislative bodies should direct their respective executive heads to ensure that the head of the ethics office submits an annual report, or a summary thereof, unchanged by the executive head, directly to the legislative body, together with any comments of the executive head thereon.	CE/94/3(III)(e) regulates reporting modalities, prepared to EC98 for the first time	accepted, implemented	
53	The legislative bodies should direct their respective executive heads to ensure that the head of the ethics office has informal access to the legislative bodies which is enshrined in writing.	CE/94/3(III)(e) regulates reporting modalities, see also report of the ethics officer to EC98	accepted, implemented	
54	The executive heads of United Nations system organizations who have not already done so should expedite the process of seeking membership for their respective organizations in the United Nations Ethics Committee.	UNWTO has outsourced implementation of ethics function to UNOPS, including representation at ethics network	accepted, implemented	The UN Ethics Committee, now re-named the Ethics Panel of the UN, is open only to the UN, its funds and programmes (not specialised agencies), so membership is not possible for UNWTO. UNWTO is, however, a member of ENMO (the Ethics Network of Multilateral Organisations); indeed its Ethics Officer is (via UNOPS) ENMO's Vice-Chair.
55	The executive heads should ensure that mandatory ethics training is provided to all staff of their respective organizations, and should take the lead by participating in this training, including mandatory refresher courses that should take place every three years.	CE/94/3(III)(e) and contract with UNOPS for provision of ethics services clarify this point	accepted, in progress	Mandatory training on ethics to all UNWTO personnel could be scheduled when next refresher courses become due
56	The executive heads should undertake biennial staff surveys on integrity awareness and publicize the results on the intranets of their respective organizations.	CE/94/3(III)(e) and contract with UNOPS for provision of ethics services clarify this point	not accepted	Costs of implementation may exceed benefits

57	In cases where a prima facie case of retaliation or threat of retaliation has been found by the organization's ethics office and the internal oversight office declines to undertake the investigation, the executive head, or the head of the ethics office, should refer the matter to the Joint Inspection Unit for investigation.	UNWTO's office circular for protection against retaliation clarifies handling of cases	accepted, implemented	The ethics officer shall refer the case to the JIU if UNWTO's secretariat were not to follow steps for investigation in the applicable cases
58	The executive heads of those organizations that have not already done so should introduce a comprehensive financial disclosure policy as a matter of urgency, including annual review and random verification by the respective ethics offices of the financial disclosure statements of all officials concerned.	CE/94/3(III)(e) and contract with UNOPS for provision of ethics services clarify this point	accepted, implemented	Financial disclosure introduced in 2014
59	Executive heads should ensure that the head of the ethics office in their respective organizations is a member of the senior management group and participates in all of its meetings, and should promulgate an administrative instrument to that effect.	UNWTO has outsourced implementation of ethics function to UNOPS	not accepted	Ethics function is outsourced to UNOPS
60	The executive heads should hold an annual "town hall" meeting with the staff including a specific agenda item on ethics.	UNWTO's SG meets several times through the year with staff at large on issues of concern to staff	accepted, implemented	
61	The legislative bodies should direct their respective executive heads to file a financial disclosure statement, which should be reviewed in the same manner as for all other staff members who are required to file such statements.	CE/94/3(III)(e) and contract with UNOPS for provision of ethics services clarify this point	accepted, implemented	Financial disclosure introduced in 2014 for Executive head following identical process as for all other staff
62	The legislative bodies should direct their respective executive heads to put forward proposals for an internal mechanism to be established that would set out the modalities for the ethics office and/or the internal oversight service to investigate or undertake reviews of allegations brought against the executive head of the organization, including reporting the outcome of the investigation or review directly to the respective legislative body.	CE/94/3(III)(e) and contract with UNOPS for provision of ethics services clarify this point	partially accepted, any situation to be handled through the ethics service provided by UNOPS	

JIU/REP/2010/5. Audit Function

63	The internal audit/oversight head should review, at least every three years, the content of the internal audit charter and FRR pertaining to internal audit for compliance with the International Standards for the Professional Practice of Internal Auditing and present the results of such a review to the executive head and the oversight/audit committee, and any proposed change should be submitted to the legislative/governing body for approval, in order to enhance the independence, role, status and functional effectiveness of the audit function.	There is no established internal audit/ oversight function at the UNWTO. The Program and Budget Committee is the one who deals with audit matters	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements
64	The internal audit/oversight heads at the United Nations organizations should confirm the independence of the internal audit function annually to the audit/oversight committee, which should report to the legislative/governing body on any threat to or interference with the independence of the internal audit activity and suggest remedial measures, so as to enhance its effectiveness.	n.a.	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements
65	The legislative/governing bodies should direct the executive heads of the United Nations system organizations concerned to facilitate the submission of the internal audit planning and audit results to the audit/oversight committees, where appropriate, for the latter's review.	n.a.	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements
66	The executive heads of United Nations organizations should ensure that audit staff are selected in accordance with staff regulations and rules, based on audit qualifications and experience as the main selection criteria. These staff should be selected independently from management and administrative influence, so as to ensure fairness and transparency, increased effectiveness and independence of the internal audit function.	n.a.	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements
67	The internal audit/oversight heads should ensure that recruited staff possess audit or other relevant experience as well as professional certification in audit or accounting at entry level/promotion, in line with best practices.	n.a.	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements

68	The audit/oversight committees should, as appropriate, review the risk-based needs and planning process of the internal audit and provide guidance on how to improve it.	n.a.	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements
69	To enhance efficiency, the legislative/ governing bodies at the organizations concerned should direct executive heads to review audit staffing and the budget prepared by the internal audit/oversight head, taking into consideration the views of the audit/oversight committees, where appropriate, and should suggest to the executive heads an appropriate course of action, to ensure that the audit function is adequately resourced to implement the audit plan.	n.a.	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements
70	To enhance accountability and transparency, the legislative/governing bodies concerned should require the internal audit/oversight head to submit to them, annually in writing, his or her report on the results of the audit activity and to publish such annual reports on the organizations' websites. The annual reports should refer to the implementation of the audit plan, major risks, the audit ranking of the audited entities, governance and control issues, key findings, recommendations and implementation of prior outstanding recommendations, as well as to any independence, resources or other issues that impact negatively on the effectiveness of the audit activity.	n.a.	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements
71	Senior management and internal audit/oversight heads should, as appropriate, improve their systems to follow up the implementation of audit recommendations in line with best practices including electronic tracking, monitoring, reporting to executive heads or a management committee at least biannually and to governing/legislative bodies annually, and disclosure of non-implemented high-risk audit recommendations. For the same reason, senior management should ensure timely provision of information on the status of implementation of recommendations to the internal audit/oversight heads. Necessary resources should be allocated to strengthen/establish the system or approval should be sought from legislative/governing bodies to that end.	n.a.	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements

72	To ensure transparency and accountability, the legislative/governing bodies at the United Nations system organizations concerned should ensure that internal audit is subject to independent external quality assessment or self-assessment with external independent validation in line with the Institute of Internal Auditors (IIA) standards every five years and should ascertain that corrective action is taken to bring the internal audit activity into general conformity with IIA standards.	n.a.	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements
73	The legislative bodies should request the independent audit/oversight committees at United Nations system organizations to review the performance and mandate/audit engagement of external auditors at least every five years, in consultation with the executive heads, and to submit the outcome of such review to the legislative/governing bodies as part of their annual report.	n.a.	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements
74	The legislative bodies of the United Nations system organizations should, after consulting the independent audit/oversight committee, select an external auditor among competitive and interested supreme audit institutions (SAIs) for a term of four to six years, not immediately renewable. Candidacies should be screened by a subsidiary committee of the legislative/governing body against established criteria/requirements including rotation and geographical representation.	UNWTO's external auditors are appointed by the General Assembly on a biennial basis	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements
75	To enhance accountability and transparency, the legislative/governing bodies should require that the financial statements be finalized no later than three months after the end of the financial period to enable the external auditor to submit his/her report, first to the audit/oversight committee and then, no later than six months after the end of the financial period to the legislative/governing body, and to have it published on the website of the organization.	UNWTO's end of year audited accounts are reviewed at the first Executive Council of the following year, which is held within the first semester. Work program to achieve adequate delivery of audited accounts is satisfactory.	accepted, implemented	

76	The legislative/governing bodies in the United Nations system organizations direct the executive heads at each organization to inform them of all third-party audit/verification requests, after consulting the audit/oversight committees and the external auditors.	UNWTO reports to its governing bodies about all the activities of its external auditors	accepted, implemented	
77	To enhance accountability, controls and compliance, the legislative bodies should revise the mandates of audit/oversight committees to include the review of both internal and external auditors' performance as well as other responsibilities, including governance and risk management.	n.a.	partially accepted, review of external auditor's mandate in accordance to change in number of auditors in Statutes	See recommendation on reducing number of auditors
78	The legislative bodies should require that the charter of the audit/oversight committees be reviewed regularly, at least every three years, and any change be submitted for the approval of the legislative bodies.	The Program and Budget Committee has full authority to consider these matters	accepted, implemented	The Program and Budget Committee has full mandate as audit/ oversight committee
79	The legislative/governing bodies should elect/appoint the audit/oversight committee members, the number of whom should vary between five and seven members with due regard to professional competency, geographical distribution and gender balance so as to represent the governing bodies' collective interests. The candidates should be screened by a committee, unless the audit/oversight committee is a subcommittee of the legislative/governing bodies, to ensure compliance with the said requirements, including independence before their appointment.	The Program and Budget Committee has full authority to consider these matters	accepted, implemented	The Program and Budget Committee has full mandate as audit/ oversight committee
80	To ensure transparency and disseminate best practices, the chair of the audit/oversight committee should submit at least one annual report directly to legislative/governing bodies with separate comments by executive heads, if any, which should be published on the website of the organization, in line with best practices.	The Program and Budget Committee reports to the Executive Council after each session	accepted, implemented	The Program and Budget Committee has full mandate as audit/ oversight committee

JIU/REP/2010/06. IPSAS

No.	Text of the Recommendation	Status in UNWTO	Assessment	Comments
81	The legislative bodies should request their respective executive heads to issue regular progress reports on the implementation status of IPSAS.	UNWTO regularly reports to the Governing Bodies on IPSAS progress	accepted, implemented	
82	The legislative bodies should provide the support, staffing and funding required to ensure successful and effective transition to IPSAS.	UNWTO has secured governing bodies approval of funds to implement IPSAS project	accepted, implemented	
83	The Executive Heads should ensure that the set of 16 best practices identified in the present JIU report is applied when implementing the IPSAS project	UNWTO is implementing IPSAS with a keen effort to reduce costs and learn from other bodies' lessons	accepted, implemented	Ensure application of best practices to UNWTO

JIU/REP/2010/7. Trust Funds

No.	Text of the Recommendation	Status in UNWTO	Assessment	Comments
84	The legislative bodies of the United Nations system organizations should strengthen the integrated management of the regular budget and extrabudgetary resources in order to ensure that the extrabudgetary resources, including the trust funds, are in line with the strategic and programmatic priorities of the organizations.	UNWTO has a low ratio of extra-budgetary to total resources. Acceptance of XB funds is conditioned to the approval of an agreement whose coherence with the approved program of work is verified	accepted, implemented	
85	The legislative bodies of the United Nations system organizations should invite all donors to respond favourably to the efforts made by the organizations to increase the portion and volume of thematic trust funds and other types of pooled funds, in order to facilitate more efficient trust fund management.	UNWTO's governing bodies are provided detailed reports on extra-budgetary funds received and the goals of such funds, but donors are given the option to choose the specific area of priority	accepted, implemented	
86	The executive heads of the United Nations system organizations should ensure that risks related to trust funds are assessed, and measures are taken to manage them.	Financial management of trust funds is done under similar processes and controls than any other UNWTO fund	accepted, implemented	

87	The executive heads of the United Nations system organizations should review, consolidate and update existing legal instruments relating to the administration and management of trust funds in their organizations, and ensure that they are available to and accessible by all staff concerned in a user-friendly format.	Regulations and internal procedures for trust fund management is available to UNWTO staff, as for financial management of any other fund	accepted, implemented	
88	The Secretary-General, in his capacity as Chairman of the CEB, should develop a common position regarding the conditions and modalities for accepting and receiving resources for trust funds from regional financial institutions and development banks. Once such a common position has been developed, the rules, regulations and policies of the organizations should be updated and submitted to the respective legislative bodies for approval.	n.a.	accepted, implemented	
89	The Secretary-General, in his capacity as Chairman of the CEB, should revitalized the inter-agency work with a view to come to an agreement among the United Nations system organizations on the harmonization of cost recovery policies and principles for trust funds, as well as activities financed by other extrabudgetary resources. Such cost recovery policy should include an unambiguous rule on the programme support cost (PSC) rate and the categories of costs to be charged directly to the programmes.	n.a.	accepted, implemented	
90	The legislative bodies of the United Nations system organizations should review the harmonized cost recovery policies and principles for trust funds and activities financed by other extrabudgetary resources, once they have been agreed within the CEB, with a view to updating the cost recovery policies of their organizations accordingly.	UNWTO's financial regulations provide specific policy for cost recovery	accepted, implemented	
91	The executive heads of the United Nations system organizations should ensure that their current and future ERP systems can provide the required financial data for managing, monitoring and reporting on trust funds and trust-fund-financed activities.	UNWTO has no ERP system. Financial information can be obtained from the Financial system	accepted, implemented	

92	The executive heads of the United Nations system organizations should review and update the provisions for delegation of authority with regard to trust fund management with a view to adjusting to the changing and increasing role of the regional and country offices.	UNWTO has no regional or country offices. Delegations of authority provided by SG to senior staff	accepted, implemented	
93	The executive heads of the United Nations system organizations should ensure that training programmes for field staff include adequate training on trust fund administration and management.	UNWTO has no field staff	accepted, implemented	
94	When preparing their internal audit plan, the heads of internal audit in the United Nations system organizations should ensure that appropriate attention is given to the risks directly related to the operation and management of trust funds, including, but not limited to, large trust funds.	UNWTO's trust funds are of moderate amounts and its financial implementation has very limited risks. UNWTO has no internal audit function	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements
95	The Executive Board of UNDP should put on its agenda the experiences and lessons learned from the operations of UNDP/MDTF Office with a view to presenting it to ECOSOC for consideration within the framework of the TCPR/QCPR.	n.a.	not applicable	
96	The Secretary-General, in his capacity as Chairman of the CEB, should request UNDG to review the current framework for auditing MDTFs in close collaboration with the heads of internal audit of the organizations participating in MDTFs, with a view to incorporating risk-based planning concepts, enhancing MDTF audit coverage, and achieving more integrated audits.	n.a.	not applicable	

JIU/NOTE/2011/1. Procurement

97	Executive heads should assess and identify the importance of the procurement function for organizational activities at their respective organizations, position this function appropriately in the managerial hierarchy and provide the required human resources for procurement activities based on an analysis of volume, complexity and workload involved.	Specific procurement function and dedicated resources have been established in 2010 and may be subject to review when procurement manual is implemented	accepted, in progress	
98	Executive heads should develop a procurement training policy based on the assessment of the competencies needed in procurement, with a view to ensuring that staff dealing with procurement are well trained and provide highly professional services.	The legal and contracts coordinator is providing training on demand and presentation on procurement to staff will be conducted in 2014	accepted, in progress	presentation on procurement to staff
99	Executive heads should ensure that the procurement process, contract management and data collection capabilities are integrated into the information systems of their organizations.	Appropriate procurement circuit is being designed in accordance to draft procurement manual	accepted, in progress	presentation on procurement to staff
100	Executive heads should develop and maintain a dynamic procurement strategy based on the comprehensive analysis of procurement spend with a view to ensuring the achievement of optimum effectiveness and efficiency for all procurement activities in their organizations.	In view of volume of procurement expenses this is not seen as a priority by the UNWTO	not accepted	costs of implementation may exceed benefits
101	Executive heads should regularly review the performance of LTAs and try to maximize their use by collecting and analysing relevant statistics and seeking more standardization and demand aggregation in the procurement of goods and services.	LTAs are being introduced at the UNWTO	accepted, in progress	development of procurement plan per program
102	Executive heads, as part of their strategy development, should use techniques such as low/high-risk and low/high-value matrices to identify areas where procurement resources can have the most impact, with a view to ensuring that these areas get adequate attention.	Size of the UNWTO seems not to warrant such approach	not accepted	costs of implementation may exceed benefits

103	Executive heads should integrate risk management into the procurement process. This should include the operation of procurement units, analysis of procurement activities and the implementation of individual procurements.	Procurement manual determines thresholds as basic risk management mechanism	accepted, implemented	
104	Executive heads should, with the guidance of governing bodies, develop and gradually implement environmentally responsible procurement policies and guidelines in compliance with the principle of competition and with all due respect for the access of developing countries and countries in transition to procurement.	Procurement manual in line with UN standards is being developed	accepted, implemented	
105	Executive heads should review the social aspect of their procurement policy and practices with a view to ensuring that their policy includes all important social elements, and that guidelines are provided for effective implementation.	Size and type of procurement of the UNWTO seems not to warrant such approach	not accepted	costs of implementation may exceed benefits
106	Executive heads should pursue proactive and pragmatic policies to increase procurement from developing countries and countries with economies in transition. This should include, inter alia, a clear definition of relevant data, the introduction of selective incentives, the use of multiple languages and the sensitization of staff.	Size and type of procurement of the UNWTO seems not to warrant such approach	not accepted	costs of implementation may exceed benefits
107	Executive heads should review their ethics policies and practices on procurement with a view to aligning them with best practices.	Ethics function introduced by the UNWTO	accepted, implemented	
108	Executive heads should adopt a vendor sanction policy as a matter of priority so as to enhance transparency and accountability in procurement activities.	The procurement manual states as ineligible vendors those included in sanction list by any other UN Agency	accepted, implemented	
109	Executive heads should develop a formal mechanism to review vendor complaints in order to enhance objectivity, fairness, transparency and consistency in the procurement process.	Call for tenders provide for complaint mechanisms	accepted, implemented	
110	Executive heads should ensure that their organizations have in place proper procurement monitoring and performance-evaluation mechanisms.	UNWTO's limited track record does not enable sufficient perspective for such actions	not accepted	costs of implementation may exceed benefits

111	Executive heads should ensure that there is regular internal (to senior management) and external (to governing bodies) reporting with respect to procurement activities.	Legal and Contracts will report on procurement on a trimestral basis to senior management	accepted, in progress	
112	Executive heads should ensure the development and implementation of knowledge mechanisms to identify, share and disseminate lessons learned and best practices in procurement activities across their organizations.	The small size of the organization enables informal exchanges of information	accepted, implemented	
113	CEB, through the HLCM Procurement Network, should proactively identify, initiate and maximize the development of collaborative procurements among the organizations with a view to leveraging the total buying power of the United Nations system. To this end, the Procurement Network should have a regular agenda item on discussing and identifying further opportunities.	UNWTO is already using CFTs done by other Agencies	not applicable	Already implemented by the UNWTO
114	CEB, through the HLCM Procurement Network, should regularly assess the use of collaborative procurement methods with a view to measuring progress, sharing good practices and improving contractual terms. To this end, the Procurement Network should collect and publish relevant statistics.	Not applicable	not applicable	Already implemented by the UNWTO

JIU/REP/2011/2. Senior appointments

No.	Text of the Recommendation	Status in UNWTO	Assessment	Comments
115	The General Assembly should direct the Executive Office of the Secretary-General to set-up and maintain on a monthly basis a dedicated website which will convey specific information on senior appointments to Member States and potential candidates as described in paragraph 88 of this report.	The Organization publishes its vacancies in the website when a recruitment process is to be initiated. Size of organization does not warrant separate website	not accepted	Costs of implementation may exceed benefits
116	The General Assembly should endorse the guidelines in paragraph 87 (a) to (l) of this report and direct the Secretary-General to follow the guidelines in selecting and appointing senior managers in tandem with the process outlined in the Secretary-General's accountability report (A/64/640).	The Secretary General is appointed by the General Assembly. The Secretary General proposes to the GA the Executive Directors s/he has chosen	partially accepted, senior appointments to be linked to Secretary General's term when no open competitive process is followed	

JIU/REP/2011/9.ICT Governance

No.	Text of the Recommendation	Status in UNWTO	Assessment	Comments
117	The executive heads of the United Nations system organizations should ensure that the ICT governance committee, or equivalent, is composed of the most senior business managers representing all major services of the organization, and chaired by an executive manager, preferably at the level of deputy head of the organization or equivalent.	ICT implementation is under the responsibility of the Director, Administration and Finance and supervised by the Secretary General and the SMT	accepted, implemented	
118	The executive heads of the United Nations system organizations should ensure that the ICT governance committee, or equivalent, is convened regularly with the fullest possible participation of its members, adequate documentation is provided in a timely manner and meeting records are kept, so as to make full use of the committee's work and function.	ICT items in SMT agenda as required	accepted, implemented	
119	The executive heads of the United Nations system organizations should ensure that the function and performance of the ICT governance committee, or equivalent, is reviewed and evaluated regularly, but not less than every three years, so as to ensure its effectiveness and facilitate improvement.	Implementation of ICT programs is reviewed annually	accepted, implemented	
120	The executive heads of the United Nations system organizations should ensure that the Chief Information Officer (CIO), or equivalent, should be placed at an appropriate senior level with overall responsibilities and authority, and have access to executive management.	The Head of ICT and the Head of Communication programs have full access to Senior Management, as required	accepted, implemented	
121	The executive heads of the United Nations system organizations should ensure that corporate ICT strategies are prepared, endorsed and periodically reviewed and updated, in order to ensure that they are closely aligned to the organization's business needs and priorities and yield value for their ICT investment.	ICT program of work is periodically reassessed to ensure alignment with organizational priorities and sent to the Executive Council for review	accepted, implemented	
122	The legislative bodies of the United Nations system organizations should request the executive heads to present the corporate ICT strategies to Member States for their information and support.	ICT annual reporting to the Executive Council is being introduced as standard practice	accepted, implemented	

123	The executive heads of the United Nations system organizations should make sure that their ICT strategies are closely aligned to the organization's medium- and long-term strategic plans or equivalent, so as to ensure that ICT sustains and supports the organization's business needs and mandates.	ICT strategies are designed in light of the organizations needs and ICT network standards	accepted, implemented	
124	The executive heads of the United Nations system organizations should establish monitoring mechanisms for the implementation of their ICT strategies, ensuring that the ICT strategy and its implementation roadmap, deliverables and performance indicators are continuously monitored and regularly reported on to the ICT governance committee, or equivalent.	Specific ICT audits are conducted	accepted, implemented	
125	The executive heads of the United Nations system organizations should strengthen their efforts in keeping track of the ICT costs in their organizations, including the total annual recurring and ad hoc ICT costs, as well as details on the main cost elements.	ICT allotments are carefully managed in view of cost impact of implementing ICT solutions	accepted, implemented	
126	The executive heads of the United Nations system organization should ensure that post-implementation reviews of major ICT investments and projects are conducted in line with the organization's ICT investment methodologies and policies.	Specific ICT audits are conducted	accepted, implemented	
127	The Secretary-General, in his capacity as Chairman of the CEB, should streamline the CEB ICT Network by identifying and focusing on common ICT issues, and providing clear guidance to the network in order to improve cooperation and coordination among the United Nations system organizations.	Not applicable	Not applicable	

Auditors Report for the Financial Closing of 2013

No	Text of the Recommendation	Status in UNWTO	Assessment	Comments
128	<p>We recommend that all income and all expenses of the Organization under the Extra-budgetary part should be submitted to the General Assembly (GA) along with the budget for approval. (Para no. 6). Since the income and expenses under the Extra-budgetary part are not submitted to General Assembly for approval, the accounts also do not reflect all income and expenses at one place and the difference between all income and all expenses of the Organization is not reported in the accounts as a separate information. Accounts included in the Balance Sheet under the heading of reserve funds include in their balances the difference between income and expenditure. Moreover, this statement of results should provide data broken down in terms of the nature of expenditures and income in addition to movement in reserve funds, with a view to providing better information.</p> <p>All income of SI is outcome of regular mandates of the Organization. The surplus of this account is used as a permanent source for budgetary allocation to increase the budget income. In 2013, the amount of EUR 241.424,73 was transferred to the budget income. The closing balance of this account was EUR 1.382.737,16. The reason to keep income and expenses of Sundry Income out of budget was not clear. We recommend that the Organization examine the relevance of keeping the income and expense of SI separate. The reason to keep income and expenses of Publication Reserve out of budget was not clear. We recommend that the Organization examine the relevance of keeping the income and expense of Publication Reserve separate.</p>	The audit recommendation to include Extra-Budgetary expenses in the budget submission to the General Assembly for next financial period will be assessed	not accepted	Costs of implementation may exceed benefits
129	We recommend that to improve the transparency of the VC funds; it will be more appropriate to give detailed information about income, expenses and balances of all different VC funds in line with the information given in respect of UNDP funds and MDTFs. In addition, it will be more appropriate to show the contribution amounts of income in Annex VI in addition to USD also in EUR.	The Secretariat accepted the recommendation and modified the report accordingly. (Para no. 31)	accepted, implemented	

130	(f) We recommend that Part XI of the Report on Accounts which gives information about UNDP Operating Funds should contain the information about funds received, expenditure incurred during the year and balances under different projects as presented in respect of MDTF and JPs.	The Secretariat accepted the observation and revised the format of presentation. (Para no. 36)	accepted, implemented	
131	(e) Of all 86 VC funds, no financial transactions were observed in 27 VC funds, of which 15 were hold in USD and 12 were hold in EUR. We recommend that the Secretariat should obtain confirmation from the programme managers at the end of the year about the funds which are closed. (Para no. 32) We recommend that the Secretariat should obtain confirmation from the programme managers at the end of the year whether the works under any of the VC projects during the year have been completed or future project activities will be made.	The Secretariat undertook to include information on non-operating VC in financial statements in the next closing of accounts.	accepted, in progress	Current projects are being reviewed. Modification of project circuits is in progress
132	(g) We observed that 5 projects under MDTF and JPs had no expenditure during 2013. There is a balance of USD 19.341,87 under these projects which is required to be refunded back to UNDP. We recommend that since this is a liability of UNWTO towards UNDP, the amount may be transferred to the Provisions in the balance of MDTF and JPs. (Para no. 38)	The Secretariat undertook to include information on non-operating MDTFs and JPs in financial statements in the next closing of accounts.	accepted, in progress	Current projects are being reviewed. Modification of project circuits is in progress
133	(h) We observed that in respect of projects NIC MDGF 1941 and NIC MDGF 1827 the information of expenditure is recorded only on receipt of expenditure details from UNDP Nicaragua. In these two projects, the information about expenditure incurred was very old and most of the expenditure recorded under these projects belonged to the year 2012. We recommend that the information about expenditure may be obtained timely so that correct information can be presented in Financial Statements. (Para no. 39)	Closing of year instructions will be issued accordingly	accepted, implemented	Issuance of instructions for annual closing

134	<p>(i) We observed that the balances available under Provisions ASHI and OSGR as on 31st December 2013 were EUR 1.155.177,98 and EUR 364.351,83 respectively. According the Actuarial Valuation done by the consultant Aon Hewitt, the Net Liability as on 31st December 2013 in respect of ASHI and OSGR is EUR 9.194.092,00 and EUR1.515.593,00 respectively. The appropriations made to these provisions are on ad-hoc basis. We recommend that UNWTO prepares a comprehensive plan to meet its post-retirement liabilities in future. (Para no. 27)</p>	Provisions for these liabilities have been created and amounts planned in the budget proposal	accepted, in progress	Current projects are being reviewed. Modification of project circuits is in progress
135	<p>Old Provision for security/ New Restricted Acc Surpl SECU (j) We observed that there is balance of EUR 121.067,17 under the Provision for Security. UNWTO presently has no plan of expenditure under this head in foreseeable future. We recommend that this balance may be treated as Reserves and not as Provision. (Para no. 28)</p>	Provision for Security was established to cover activities not specifically linked to the budget period	accepted, implemented	
136	<p>(k) The External Auditors are prepared to conduct compliance audits and performance audits (value for money) in the following years as well. The External Auditors welcome all suggestions of the governing bodies and the Secretariat in auditing issues of performance. (Para no. 45)</p>	Statutes indicate there shall be two auditors, while in 2013 three auditors were appointed by the GA and the JIU recommends UNWTO aligns itself to the UN to a single (rotating) auditor (JIU/REP/2014/5, rec.9)	not accepted	Costs of implementation may exceed benefits. Role of auditors will be maintained as per Financial Regulations, but functions will be split into the two auditors until amendment to the Status on number of auditors were ratified
137	<p>DFR para 5.01 states: "This contribution (of New Members) shall be considered sundry income for the current financial year." In a similar wording the Detailed Financial Rules (DFR) para IV.1 states that the contributions of New Members "shall be considered miscellaneous revenue for the current financial year." As we understand, this provision applies to all financial years until these contributions will be included in the assessment of contributions for the following financial period. The Secretariat agreed that the provision would be clarified in the next proposed amendment of the Detailed Financial Rules.</p>	Text of the DFR should be corrected to reflect "period" instead of "year"	accepted, in progress	DFR needs to be modified to reflect "period" instead of "year"

138	The reason to classify this fund (replacement reserve) as extra-budgetary is not clear as it is one of the reserves of the Organization. We recommend that classification of this reserve under Extra-Budgetary part may be re-examined.	IPSAS compliant financial statements require the replacement reserve to be shown as a reserve of UNWTO	accepted, implemented	
139	We reviewed a sample of financial transactions regarding travel expenses charged to VC funds. In some of these cases, it was not clear whether charging a particular travel expense have been done in compliance with the agreements under the related VC funds.	Specific clarifications on travel expenses charged to VC are being required	accepted, implemented	Program and financial verifications strengthened
140	The External Auditors recommended during the audit of accounts for the year 2012 the need to improve the internal control systems. During the audit of accounts for the year 2013, we have observed a series of entries to make corrections and to remedy errors. That could be avoided in the future through a reinforcement of such control systems.	No formalized internal control system exists in the UNWTO. Gap analysis is being developed	not accepted	Linked to the introduction of an Internal Control System beyond UNWTO's regulatory requirements

Auditors Report for the opening balance of 2014

No	Text of the Recommendation	Status in UNWTO	Assessment	Comments
141	According to Para 9 of IPSAS 2, an investment normally qualifies as a cash equivalent when it has a short maturity of three months or less. It is, however, observed that in the financial statement two investments with a maturity of one month are regarded as short term investments (with a maturity of more than three but less than twelve months).	UNWTO assured that it has inadvertently classified the mentioned accounts as short term investments, instead of cash and other cash equivalents. The reclassification entry to correct the error has been made. The balance and notes would likewise be corrected.	accepted, implemented	

142	<p>The accounting policy says that UNWTO will reduce assessed contributions receivables from full and associate members by applying an allowance as follows: (i) No allowance is applied to those whose arrears are for the current and prior year contributions; (ii) In arrears exceeding the current and prior year contributions (two years) but with payment plans, an allowance of 50 % of total outstanding receivables is applied; (iii) An allowance of 100% of total outstanding receivables will be applied for those in arrears without payment plans or those with payment plans but who are in default in the last two years. In respect of Central African Republic, Burkina Faso and Iraq it is, however, observed that the allowances have not been provided in compliance with accounting policy.</p>	<p>UNWTO has reviewed the countries with payment plans but in default for the last two years in relation to the allowance computed in the financial position as at 1st January 2014. The defaulting countries are Central African Republic, El Salvador, Gambia and Mauritania. The payment plan of Iraq was approved only in 2014, while that of Burkina Faso was approved in 2013, and the latter has been in default once as at 31st December 2013. UNWTO assured that the allowance has been recomputed and the adjustments would be made to correct the recorded allowance. With the adjustments, contributions receivable and allowance would be correctly valued.</p>	accepted, implemented	
143	<p>In terms of Para 76(b) of IPSAS 1 an asset shall be classified as current if it is expected to be realized within twelve months from the reporting date. It is observed that UNWTO has made 100 % provisions in respect of many full members where contributions remained outstanding for years together but classified those assets as current assets. This classification is apparently in contradiction with the principles of IPSAS as expectation of UNWTO to receive those arrears within a year is not based on facts, because there is no payment plan indicating the intention of paying the arrears and the past payment experience does not support the expectation. The past payment experience of those defaulting countries does not support the expectation of realising the arrears in the operating cycle or in the next 12 months from the reporting date. However, it is recommended that UNWTO should soon put all efforts to get into payment plans with all defaulting countries and classifying the arrears receivable as per payment plans.</p>	<p>The contributions receivable are due annually and are expected to convert to cash within 12 months. Thus, they are classified as current assets. This is based on IPSAS 1 which states, among others, that, an asset shall be classified as current when it is expected to be realized in the entity's normal operating cycle, or when it is expected to be realized within 12 months from the reporting date. UNWTO agreed with the recommendation that it should put all efforts to get into payment plans with all defaulting countries and classify the arrears as per payment plan.</p>	accepted, implemented	

144	<p>The contributions receivable, as figured in the financial position, are composed of contributions receivables of different kinds with number of sub-groups having material value. The information regarding the sub-groups has not been incorporated. Para 89 of IPSAS 1 states categorically that “Additional line items, headings, and sub-total shall be presented on the face of the statement of financial position when such presentation is relevant to an understanding of the entity’s financial position”.</p>	<p>UNWTO has assured to break down the contributions receivable into “assessed contributions” and “other contributions” - the two main types of receivables that UNWTO has in material amounts, as recommended. It stated further, that UNTFAS has also recommended that “organizations shall disclose in the notes further detailed sub-classifications of the line items presented on the face of the statement of financial position depending on the size, nature and function of the amounts involved”. UNWTO assured to do so in the notes of disclosure.</p>	accepted, implemented	
145	<p>It was observed that miscellaneous receivables (VAT) have been re-classified under the heading of contributions receivable. This was inappropriate because both are in no way associated with each other.</p>	<p>UNWTO assured that the financial position would be corrected to include miscellaneous receivables from non-exchange transactions under other receivables instead of contributions receivable.</p>	accepted, implemented	
146	<p>In case of the contributions receivable, the financial year 2014 has been considered as current year for the purpose of presentation of the opening balances as at 1st January 2014. The Financial Regulations, however, state that the contributions and advances shall be due and payable in full within the first month of the financial year to which they relate. As at 1st January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears. In view of above provision, it does not appear to be appropriate to consider the year 2014 as current year for restated balances as at 31st December 2013. Moreover, there is no justification for considering the contribution for the year 2014 as arrear as at 1st January 2014.</p>	<p>UNWTO agreed with the audit observation that for purposes of the opening balances, the contributions receivable for 2013 should be considered current year and not previous year. However, for purposes of practicality, UNWTO has classified contributions receivables for the year 2013 as in arrears. The Organization’s financial regulations (FR 7.2) provide that “As of January 1st of the following calendar year, the unpaid balance of such contributions shall be considered to be one year in arrears.” If UNWTO recorded the receivables as current in the opening balances, it would have to reclassify them as in arrears immediately after. UNWTO therefore suggested that instead of making the correction, which will have to be “corrected” again in 1st day of 2014, it will instead include a note in the Restated Statement of Financial Position as follows: “The contributions receivable for 2013 which as of December 31st, 2013 are considered current year’s receivables are classified as Contributions Receivables in Arrears in the Restated Statement of Financial Position as of January 1, 2014 inasmuch as, in accordance with FR 7.2 of the Financial Regulations and Rules, they will be considered in arrears and will have to be reclassified as such at the start of the year.”</p>	accepted, implemented	

147	<p>In this regard, the legal form of a lease at a nominal value, being very much lower than the market price, is indicating in another way the fulfilment of the conditions relating to a non-exchange transaction. We, at the same time, need to consider that UNWTO does not seem to have full control over the asset in the sense that rewards have been transferred, while major part of the risks associated with the property have been retained by the Government of Spain. This stands in the way of considering the property as an asset in the financial statements of UNWTO. However, taking into account the materiality of this property and its significant impact on the financial statements, UNWTO should treat this property as a service in-kind according to IPSAS 23 and make the necessary adjustments. This means that UNWTO should recognize the revenues in-kind and the expenses in-kind in the statement of financial performance and make disclosures with adequate information in the notes to accounts.</p>	<p>UNWTO assured that the building at Capitán Haya would be recognized in the Statement of Financial Performance as an in-kind donation and an expense at the amount recommended by professional appraisers. The necessary disclosure regarding the basis of the accounting policy/treatment would likewise be indicated in the financial statements in accordance with Para 134 of IPSAS 1, as recommended. Further, UNWTO would amend the UNWTO Policy Guidance Manual (PGM) to indicate IPSAS 23 as the basis for the recognition of the in-kind donation.</p>	accepted, in progress	Requires correction in policy guidance manual and inclusion of explanations in disclosure notes
148	<p>UNWTO is a member of UNJSPF, a multi-employer defined benefit plan for providing pensions to employees in their post-employment days. It is, however, observed that UNWTO considers the same as a defined contribution scheme and, accordingly, has not assessed the accumulated liability on that count as at 1st January 2014. According to IPSAS 25, if any defined benefit plan is considered as a defined contribution plan, the entity has to disclose that the plan is defined benefit plan and the reason why the sufficient information is not available to account for the plan as a defined benefit plan. However, no such disclosure has been found in the financial position.</p>	<p>UNWTO assured that it will make disclosures as at 31st December 2014 as shown in the UNWTO Policy Guidance Manual (PGM). Nevertheless, regarding the disclosure about the UNJSPF UNWTO will follow the "Model Note on United Nations Joint Staff Pension Fund Accounting Treatment and Disclosure". This model has been recommended by the UN Task Force on Accounting Standards (UNTFAS).</p>	accepted, implemented	
149	<p>UNWTO has recognized accrued annual leave payable, accrued end of service payable and accrued ASHI payable as defined benefits plans and assessed the liabilities as at 1st January 2014. The disclosures, as required under Para 141 (b), (d) and (n) of IPSAS 25, have not been provided.</p>	Same as for UNJSPF	accepted, implemented	

150	<p>A liability shall be classified as non-current, if it does not satisfy one of the criteria given in Para 80 of IPSAS 1. It is, however, observed that current liabilities include the contributions received in the year 2013 from the full member Congo in the amount of EUR 6,964.47 that are due to be settled in the year 2015. According to IPSAS this liability shall be classified as non-current.</p>	<p>UNWTO agreed with the audit observation. As in the contributions receivables, for practical purposes, it had made 2014 its reference year to avoid making reclassifications. Therefore UNWTO suggested that the correction no longer be made as the amount is not material.</p>	<p>accepted, implemented</p>	
	<p>The financial position reveals that the net asset/equity of UNWTO consists of accumulated surplus and reserves. The reserves, on the other hand, composed of working capital fund, special contingency reserve and replacement reserve. Para 7 of IPSAS 1 defines net assets/equity as the "residual interest in the assets of the entity after deducting all its liabilities".</p>	<p>As with all other UN system organizations the working capital fund is reported in the financial position as net assets/equity. The working capital fund, as defined in the financial regulations of UNWTO and in all other UN system organizations, is a reserve controlled by the governing bodies that can only be used to fund approved activities (e. g. Budget) while awaiting the payment of assessed contributions. All new members/owners make contributions to the working capital fund when they join the Organization and when the member/owner withdraws membership, the net investment is also withdrawn. It is more similar to capital contributions of owners thus, it is treated like a contribution from owner's (IPSAS 23 and IPSAS 1), rather than a liability.</p>		
151	<p>The FR 10(2) (f) of Financial Regulation of UNWTO stipulates that "if a member withdraws its membership in the Organization, any credit it may have in the working capital fund shall be used towards liquidation of any financial obligation such a member may have to the Organization. Any residual balance shall be refunded to the withdrawing member". This suggests that the working capital fund is a liability and cannot be considered as a part of net asset or equity. Hence, presentation of the same under the category of net assets/equity violates the principles of fair representation of financial position. The fact remains that working capital fund is refundable to the members withdrawing from the Organization. Hence it cannot be considered as a residual interest to form part of net assets or equity. It may be noted that the working capital fund may not have fixed maturity but it does have regulatory obligation to refund. In the same logic, the redeemable preference shares with contractual obligation to refund are not considered as part of the equity in corporate books of accounts. The UN system organizations may rethink about its presentation if situation demands so.</p>	<p>While the Financial Regulations provide for the return of a member's working capital fund contribution on withdrawal from the UNWTO, the intent of the member on joining the Organization, which is one of long term commitment, is of more importance when determining the reporting classification under IPSAS. Also it is highly unlikely that members carry the working capital fund contributions in their accounts as a "receivable". When a member gives notice of withdrawal and no other contributions are outstanding, the amount to be refunded would be transferred from there to a payable account pending refund to the withdrawing member. In view of the fact that in the whole UN System, there is a uniform treatment of the working capital fund as a reserve under the net equity, we will review the financial regulations of UNWTO in comparison with other UN System organizations to determine similarity and/or differences in the regulations related to the working capital fund. Should there be no difference in the regulations, UNWTO would raise the issue with the UN Task Force on Accounting Standards.</p>	<p>accepted, in progress</p>	<p>(i) Review UNWTO FRR with other UN organization regarding WCF (ii) Raise the issue in the UNTFAS</p>

152	<p>Para 150 of IPSAS 1, among other things, states that – “An entity shall disclose the following, if not disclosed elsewhere in information published with the financial statements: (a) The domicile and legal form of the entity, and the jurisdiction within which it operates; (b) A description of the nature of the entity’s operations and principal activities; (c) A reference to the relevant legislation governing the entity’s operations;” No such disclosure has been found on the face of the financial position and that needs to be included as applicable in respect of UNWTO.</p>	<p>UNWTO assured that it will make disclosures as shown in the UNWTO Policy Guidance Manual (PGM) in the financial statements as at 31st December 2014.</p>	<p>accepted, implemented</p>	
153	<p>In comparison to closing balance as at 31st December 2013, several accounts were reclassified. The transactions between UNWTO and satellites were shown in the financial position as “Interfunds”. This merits more information in the notes, e. g. an explanatory table, to make the disclosure more useful to the users.</p>	<p>UNWTO has offered to add an explanatory table to the notes as it will give an additional value to the members.</p>	<p>accepted, in progress</p>	<p>Include information on satellite entities in disclosure notes</p>
154	<p>According to Para 27 of IPSAS 4 an entity shall translate foreign currency monetary items into its functional currency at each reporting date. It shall use the closing rate at the reporting date. UNWTO determined the following exchange rates (direct quotation) at 31st December 2013: (i) 1 USD = 0.725 EUR (UN Operational Rate of Exchange, UNORE) (ii) 1 USD = 104.93 YPN (UNORE). It is, however, observed that, in some cases, the indirect quotation was used to translate foreign currencies, with an exchange rate, correct to three decimal places. This caused rounding differences.</p>	<p>UNWTO assured that it has corrected the amounts in Euro in the ledgers of accounts and, consequently, the balance and the notes. To standardize the conversion from other currencies to Euro, UNWTO had used the “indirect quotation” which however limited the computation to three decimal places, thus, the differences. To make the conversion more precise, the system would be adjusted to include from seven to ten decimal places.</p>	<p>accepted, implemented</p>	
155	<p>Explanatory note 1 to the financial position shows “Cash at banks – current accounts” and “Short Term deposits” in Euro, while part of these amounts are originally valued in a different foreign currency (USD). It is required that these amounts are shown separately in their original currencies.</p>	<p>UNWTO assured that it has corrected the table to show the USD and EUR accounts separately, as recommended.</p>	<p>accepted, implemented</p>	

156	<p>UNWTO took lease of two photocopiers in 2013. The lease period shall be four years and the future lease payments shall be EUR 44.850,78. The economic life of photocopiers is estimated to be five years. According to Para 15 of IPSAS 13 a lease shall be recognized as a finance lease, if e. g. (i) At the inception of the lease the present value of minimum lease payments amounts to substantially all of the fair value of the leased asset and/or (ii) The lease term is for the major part of the asset's economic life, even if title is not transferred. UNWTO recognised this lease as an operating lease instead of finance lease without assigning any reason in the financial position. The External Auditors hold the view that the contract should be recognised as a finance lease because lease term covers the majority of the assets economic life (80 %). Moreover it is not documented that the asset's fair value is less than the present value of minimum lease payments and there is no evidence to prove that the lessor still holds the risk and reward of the property leased out.</p>	<p>UNWTO has reached the conclusion that the two photocopiers are operating leases following the recommended methodology by the UN Task Force on Accounting Standards (UNTFAS). The bottom line is that there has been no substantial transfer of the risks and rewards of ownership. UNWTO assured to make the corrections, as recommended.</p>	<p>accepted, implemented</p>	
157	<p>In 2013, UNWTO developed a new financial management information system (ISIS), which is composed of the following modules: (a) reference data, (b) budget, (c) financial accounting general ledger, (d) assets, (e) payroll and (f) reports. The new system compiles budgetary and accounting data in order to generate UNWTO financial statements compliant with IPSAS and other reports for the financial and budgetary management of the Organization. The External Auditors appreciate these initiatives and strongly recommend for conducting an IT-audit of the system after its implementation from an accounting point of view as possibility of programming lacunae inadvertently crept into the system may cause havoc in the financial statements.</p>	<p>Prior to having ISIS modules deployed into production, they are subject to intensive testing</p>	<p>not accepted</p>	<p>costs of implementation may exceed benefits</p>