UNOG Staff Coordinating Council
Audit report

A. Background and scope of the Audit

Financial year - 1 December 2014 - 30 November 2015

Accounts received by the auditors - 18 January 2016

B. Audited accounts

SCC has two main operating accounts:

i) UBS SA bank account #279-CA105907.0. It is used for all transactions approved by the SCC and its Executive Bureau and for investment related activities.
ii) Swiss Post Finance account #17-297976-4. It is used exclusively to receive fees for posting classified ads and the staff contributions to SCC.

C. Findings

The SCC assets are presented in the table below.

<table>
<thead>
<tr>
<th>Assets</th>
<th>as of 30.11.2014</th>
<th>as of 30.11.2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1010 PostFinance</td>
<td>66,770.46</td>
<td>71,838.96</td>
</tr>
<tr>
<td>1020 UBS Current account</td>
<td>148,738.26</td>
<td>361,324.06</td>
</tr>
<tr>
<td>1021 UBS Relief account</td>
<td>754.30</td>
<td>339.49</td>
</tr>
<tr>
<td>1022 UBS Creche account</td>
<td>1,336,868.75</td>
<td>1,636,935.10</td>
</tr>
<tr>
<td>1023 UBS Staff Gala account</td>
<td>9,908.80</td>
<td>36,246.00</td>
</tr>
<tr>
<td>1024 UBS Childrens Activities account</td>
<td>28,947.00</td>
<td>13,576.90</td>
</tr>
<tr>
<td>1025 UBS Legal Assistance account</td>
<td>113,306.25</td>
<td>113,264.50</td>
</tr>
<tr>
<td>130 Transitional Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1300 Accounts Receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1301 Accounts Receivable - CCISUA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,130,533.82</td>
<td>2,272,551.85</td>
</tr>
</tbody>
</table>

The accounts and records were complete and found to be in order. The SCC and its Finance Commission are working on the basis of established practices and rules.

At the same time auditors believe that the financial reporting of the SCC can be further improved and relevant recommendations have been made to this end.

[Signature]
Thus, in the opinion of auditors, the current Regulations on representation of the staff of the United Nations at Geneva, especially their Annex II “Finance Commission and financial regulations” do not clearly define and divide responsibilities regarding authorization of financial expenditures and financial reporting lines between the General Assemblies of the staff, Staff Coordinating Council, Executive Bureau and Finance Commission.

Open and transparent debate on these matters at SCC is desirable to allow its members to fully understand the financial and controlling role of the SCC.

The report was submitted to SCC on 14 March 2016 and was subsequently discussed (and) revised with the SCC Finance Commission.

The report contains two parts: (1) observations and recommendations (2) notes (examples) made by auditors and explanation and comments provided by the SCC Finance Commission.

**Part 1. Audit report observations/recommendation**

<table>
<thead>
<tr>
<th>Audit observation/recommendation</th>
<th>Action pending or taken</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R - 2016/1</strong> - The Staff Coordinating Council should ensure that all authorizations of expenditures under the regular and special budgets along with their justifications and/or explanation are properly reflected in the SCC meetings minutes. The Staff Coordinating Council in order to ensure the efficient use of funds, should strengthen the practice of controlling (and assessing) final expenses, in particular major ones and ensure that final expenses correspond to the original estimates. Otherwise, all deviation (additional expenses) shall be duly recorded and explained.</td>
<td></td>
</tr>
<tr>
<td><strong>R - 2016/2</strong> - The Staff Coordinating Council should ensure that all expenses less than 500 CHF are based on detailed explanations and documented in the reports of the meetings of the SCC and/or EB.</td>
<td></td>
</tr>
<tr>
<td><strong>R - 2016/3</strong> - The Staff Coordinating Council should introduce the practice of the UN clubs preparing annual reports on their activities and on the use of subsidies from the SCC and upload these reports on the SCC website.</td>
<td></td>
</tr>
<tr>
<td><strong>R - 2016/4</strong> - The Staff Coordinating Council should introduce a practice of inviting a professional accountant to provide advisory services to the SCC and to the audit team.</td>
<td></td>
</tr>
<tr>
<td><strong>R - 2016/5</strong> - The Staff Coordinating Council should initiate revising the Regulations on the Representation of the Staff of the United Nations in Geneva.</td>
<td></td>
</tr>
<tr>
<td><strong>R - 2016/6</strong> - The Staff Coordinating Council should ensure the compliance with the requirements set in the Regulations on Representation of the Staff of the United Nations at Geneva regarding provision of timely and sufficient information to the auditors.</td>
<td></td>
</tr>
</tbody>
</table>
### Notes (examples) made by auditors

**Practice of getting pre-approvals on the allocation of funds.**

According to the SCC rules, the final decision on all expenses exceeding 500 CHF shall be taken by the SCC and shall be properly recorded. For the majority of expenses such practice is followed. However, there are a number of cases (decisions on subsidies to various UN clubs, on training, on some travel by EB members, etc.) where an Executive Bureau (EB) made decisions which were communicated for information to the SCC but not reflected in the SCC meetings minutes.

**Practice of a subsequent control over incurred expenses.**

The SCC sometimes lacks practice of controlling how actual expenses within an allocated budget were made including their final cost. More clear/detailed estimates for future expenses and final reports afterwards on the actual composition of the expenses incurred are desirable, at least for major expenses/events (gala party and children’s party). Such retroactive analysis would allow to improve the efficiency of the use of the funds.

**Example 1:** Payment of a hotel bill (room + garage) for a CC member who was not able to return home after the Gala Party – bill is paid without evidenced consideration and approval (as the expense was not in the original budget).

**Example 2:** Food and drinks at the Gala Party were purchased by the participants. One could assume that all receipts from such sale went to the company (“DSR restaurant”) that was providing a catering service and was serving the Party (we did not find any papers on such receipts).

---

### Explanation and comments provided by the SCC Finance Commission

As per Annex II, Article 9 (1) of the statutes, no payment over CHF 500 is made without approval of the Council plenary. Expenditures are approved by the Council when it adopts its budget (each budget line constitutes an authorization to spend under each particular concept), or by expressly approving a specific expenditure that had not been budgeted. The Council may also delegate to the Executive Bureau (EB) the decision to approve any non-budgeted specific payment, and may come with certain conditions attached. If the EB deems necessary to incur in an expenditure that has not been budgeted, it refers the final decision to the Council. Regarding non-budgeted expenditures under CHF 500, they can be approved by the EB as per Annex II, Article 9 (2) of the statutes.

**Staff Gala:** For safety reasons, the Bureau felt acceptable to allow the female organizer of the Gala (a Council member), who lives a considerable distance away, to stay the night in Geneva at the end of the Gala rather than drive a long distance late at night, avoiding an accident risk. This was considered as a reasonable expense incurred by the Council for the Staff Gala; the budgetary approval therefore falls under “Staff Gala”. There is on record an email whereby the Council member raises this situation. As per the presentation of Mr. Slim Rouai to the Council plenary, it was agreed that all dues paying members would receive tickets. Furthermore, tickets were provided to technicians and musicians working at the Gala, as per standard practice. This is part of the established budget. It would be difficult to have a Council meeting during the Gala so as to approve tickets as
In case the request is aimed at purchasing assets:

- Be signed by duly authorized club members;
- Subject to approval by the Board of Directors.

Bank details of the club where the funds are to be transferred to:

- Detailed description of the purpose, including how and when it will be used;
- Letter of request addressed to the Council, stating:
  - Any request for financial support must include the following:
  - Guidelines for the NGO's Coordinating Council:
    - For less than CHF 500:
      - The decision will require the agreement and approval of 
        a minimum of 20% of the Board of Directors.
      - The amount transferred will be at least 50% of the
        expenses incurred at the time of transfer.
      - The President of the Board of Directors will certify on
        12 January 2015.
    - For more than CHF 500:
      - The decision will require the agreement and approval of 
        a minimum of 30% of the Board of Directors.
      - The amount transferred will be at least 50% of the
        expenses incurred at the time of transfer.

Gifts:

- The decision will require the agreement and approval of 
  a minimum of 10% of the Board of Directors.
- The amount transferred will be at least 50% of the
  expenses incurred at the time of transfer.

Budget:

- The decision will require the agreement and approval of 
  a minimum of 20% of the Board of Directors.
- The amount transferred will be at least 50% of the
  expenses incurred at the time of transfer.

Use of Funds:

- The decision will require the agreement and approval of 
  a minimum of 10% of the Board of Directors.
- The amount transferred will be at least 50% of the
  expenses incurred at the time of transfer.

Expenditures:

- The decision will require the agreement and approval of 
  a minimum of 20% of the Board of Directors.
- The amount transferred will be at least 50% of the
  expenses incurred at the time of transfer.

Precautions:

- Any request for financial support must include the following:
  - Guidelines for the NGO's Coordinating Council:
  - For less than CHF 500:
    - The decision will require the agreement and approval of 
      a minimum of 20% of the Board of Directors.
    - The amount transferred will be at least 50% of the
      expenses incurred at the time of transfer.
  - For more than CHF 500:
    - The decision will require the agreement and approval of 
      a minimum of 30% of the Board of Directors.
    - The amount transferred will be at least 50% of the
      expenses incurred at the time of transfer.

Gifts:

- The decision will require the agreement and approval of 
  a minimum of 10% of the Board of Directors.
- The amount transferred will be at least 50% of the
  expenses incurred at the time of transfer.

Budget:

- The decision will require the agreement and approval of 
  a minimum of 20% of the Board of Directors.
- The amount transferred will be at least 50% of the
  expenses incurred at the time of transfer.

Expenditures:

- The decision will require the agreement and approval of 
  a minimum of 10% of the Board of Directors.
- The amount transferred will be at least 50% of the
  expenses incurred at the time of transfer.

Precautions:

- Any request for financial support must include the following:
  - Guidelines for the NGO's Coordinating Council:
  - For less than CHF 500:
    - The decision will require the agreement and approval of 
      a minimum of 20% of the Board of Directors.
    - The amount transferred will be at least 50% of the
      expenses incurred at the time of transfer.
  - For more than CHF 500:
    - The decision will require the agreement and approval of 
      a minimum of 30% of the Board of Directors.
    - The amount transferred will be at least 50% of the
      expenses incurred at the time of transfer.

Gifts:

- The decision will require the agreement and approval of 
  a minimum of 10% of the Board of Directors.
- The amount transferred will be at least 50% of the
  expenses incurred at the time of transfer.

Budget:

- The decision will require the agreement and approval of 
  a minimum of 20% of the Board of Directors.
- The amount transferred will be at least 50% of the
  expenses incurred at the time of transfer.

Expenditures:

- The decision will require the agreement and approval of 
  a minimum of 10% of the Board of Directors.
- The amount transferred will be at least 50% of the
  expenses incurred at the time of transfer.

Precautions:

- Any request for financial support must include the following:
  - Guidelines for the NGO's Coordinating Council:
  - For less than CHF 500:
    - The decision will require the agreement and approval of 
      a minimum of 20% of the Board of Directors.
    - The amount transferred will be at least 50% of the
      expenses incurred at the time of transfer.
  - For more than CHF 500:
    - The decision will require the agreement and approval of 
      a minimum of 30% of the Board of Directors.
    - The amount transferred will be at least 50% of the
      expenses incurred at the time of transfer.
(1) the corresponding quote; and
(2) written confirmation that in the case of closure of the club, these assets will be returned to the Council before the club discharges any or all obligations.

c. Copy of the duly signed constituting statues of the club.
d. Copy of the duly signed minutes of the club’s latest assembly.
e. List of members of the club, indicating the organization for which they are employed.
f. Copy of the club’s statement of accounts (including copy of bank account statement) as of the date of submission of the request (or as near as possible), signed by a minimum of two club members.
g. Copy of the club’s assets inventory as of the date of the request.
h. Copy of the most recent audit of accounts, or justified reasons in writing of why its accounts have not been audited.

| N- 2016/4 |
| Use of external expertise for an audit |
| The Audit report for 2012/2013 recommended that the elected audit team should be assisted by an external accountant (recommendation 2013/5). This recommendation was not implemented. |

| N- 2016/5 |
| Current regulations on the finance issues and on the responsibilities of SCC |
| The current Regulations on the Representation of the Staff of the United Nations in Geneva were adopted in 1983 and do not clearly reflect the division of responsibilities (for example, with the regard of the possibility for SCC to delegate its financial authority to other bodies, i.e. Executive Bureau; etc.). |

| N- 2016/6 |
| Provision of information to the auditors |
| According to the Regulations on Representation of the Staff of the United Nations at Geneva the auditors shall draw up their report and shall send it to the Council not less than ten (10) days before the date set for the Ordinary Assembly of the staff, with a copy to the Finance Commission. |

In reality the accounts (basic information) were received by the audit
31 March 2016

Yousuf Bayyan

Seerat Koonzime

31 March 2016

The auditors

(10) days after the closing of the accounts, submit his accounts to the Council, and to the auditors not more than ten days before the Closing date of the Accounts as per the provisions of the Regulations of the Accounting and Financial Regulations of the Regulations on the Representation of the Council, the Council shall refer the accounts of the Income Tax on Finance Commission in order to meet the deadline set by the S.C.C. before the 19th January. If it is supposed to review the accounts and the interim report by 19th January, it means that the auditors were not in a position to close the accounts at the date of the Ordinary Assembly of the