



Subsidiary Body for Implementation

Forty-seventh session

Bonn, 6–15 November 2017

Item 21(b) of the provisional agenda

Administrative, financial and institutional matters

Audit report and financial statements for 2016

**Financial report and audited financial statements for the
year 2016 and report of the United Nations Board of
Auditors**

Note by the Executive Secretary

Addendum

Comments by the secretariat



Table 1

Recommendations of the United Nations Board of Auditors for the year ended 31 December 2016

<i>Recommendations^a</i>	<i>Comments by the secretariat</i>	<i>Status of implementation</i>
Recommendation 1, paragraph 15:		
The Board recommends that UNFCCC (i) ensure that expenses are duly attributed to the financial year to which they relate (ii) conduct training to staff outside finance involved in the accrual procedures and introduce better monitoring procedures of accruals for year-end activities.	The secretariat agrees with the recommendation and will ensure the appropriate accrual of expenditure in the correct financial year. For this, the secretariat will intensify training of staff inside and outside finance for year-end preparations	Under implementation
Recommendation 2, paragraph 19:		
The Board recommends that UNFCCC review the internal IPSAS policy guidance on recognition of multi-year contribution agreements in order to have them in line with IPSAS.	The secretariat agrees with the recommendation and has adjusted the accounting policy on recognition of multi-year contributions agreements to align with the United Nations IPSAS policy	Implemented
Recommendation 3, paragraph 27:		
The Board recommends that UNFCCC establish a process that enables the presentation of the Boards' report by the Lead Auditor from the Board of Auditors to those charged with governance, in this case the Subsidiary Body for Implementation (SBI).	A presentation by the Board is included in the SBI agenda. The agreed presentation will be made in the week of 7 November 2017, during the SBI 47	Under implementation
Recommendation 4, paragraph 33:		
The Board recommends UNFCCC to ensure the compliance with the provisions applicable [in the determination of salary steps] also in such specific cases.	The secretariat does not agree with this recommendation and repeats its conviction that it had legally binding obligations through the signed offer when the salary scales changed. There was a financial risk of losing the lead candidate in the selection process should the candidate have declined	Not implemented
Recommendation 5, paragraph 41:		
For the specific cases, the Board recommends that UNFCCC complete the personnel files in accordance with the Board's observations and ensure that all contractual changes are formally documented, signed and included in the personnel file.	The secretariat agrees to this recommendation with the exception of requiring signatures for all contractual changes. The UNFCCC will continue to accept staff members' and other necessary signatories' agreements via email or through the established systems and document such agreements in the official status file of the staff member	Under implementation

<i>Recommendations^a</i>	<i>Comments by the secretariat</i>	<i>Status of implementation</i>
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Recommendation 6, paragraph 51:

The Board recommends that UNFCCC revisit its provisions governing termination notice periods and ensure compliance with the standard provisions.

The secretariat agrees with the recommendation and has amended the letters of appointment to comply with staff regulations and rules

Recommendations^a

Comments by the secretariat

Status of implementation