



**Office of Internal Oversight Services
Internal Audit Division II**

AUD: UNEP (009/2006)

17 May 2006

TO: Mr. Shafqat Kakakhel, Officer In Charge
United Nations Environment Programme (UNEP)

FROM: Ms. Corazon Chavez, Acting Director
Internal Audit Division II, Office of Internal Oversight Services (OIOS)

SUBJECT: Audit of UNEP Secretariat to the Convention on Biological Diversity (SCBD)(AA2006/220/03)

1. I am pleased to submit the final report on the audit of UNEP Secretariat to the Convention on Biological Diversity (SCBD), which was conducted in Montreal, Canada, from February to March 2006, by, Mr. Obin Silungwe, and Ms. Jaydene Kana. A draft of the report was shared with Mr Ahmed Djoghlafl, Executive Secretary of the Secretariat on Biological Diversity in March 2006, whose comments, which were received in April 2006, are reflected in the attached final report, in italics.

2. I am pleased to note that most of the audit recommendations contained in this final report have been accepted and that SCBD has initiated their implementation. The table in paragraph 91 of the report identifies those recommendations, which require further action to be closed. I wish to draw your attention to recommendations 4, 10, 15, 16, 26, 28 and 29, which OIOS considers to be of critical importance.

3. I would appreciate if you could provide Mr C. F. Bagot with an update on the status of implementation of the audit recommendations not later than 30 November 2006. This will facilitate the preparation of the twice-yearly report to the Secretary-General on the implementation of recommendations, required by General Assembly resolution 48/218B.

4. Please note that OIOS is assessing the overall quality of its audit process. I therefore kindly request that you consult with your managers who dealt directly with the auditors, complete the attached client satisfaction survey form and return it to me.

5. I would like to take this opportunity to thank you and your staff for the assistance and cooperation extended to the audit team.

Attachment: final report and client satisfaction survey form

cc: Mr. S. Goolsarran, Executive Secretary, UN Board of Auditors (by e-mail)
Mr. Ahmed Djoghlafl, Executive Secretary, SCBD (by e-mail)
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Internal Audit Division II

Audit Report

**Audit of UNEP Secretariat to the Convention on Biological Diversity
(AA2006/220/03)**

Report date: 17 May 2006

**Auditors: Obin Silungwe
 Jaydene Kana**



**Office of Internal Oversight Services
Internal Audit Division II**

**Audit of UNEP Secretariat to the Convention on Biological Diversity
(AA2006/220/03)**

EXECUTIVE SUMMARY

Between February and March 2006, OIOS conducted an audit of the UNEP Secretariat to the Convention on Biological Diversity (SCBD) in Montreal, Canada whose budget for the biennium 2004-2005 was US\$28 million.

OIOS was pleased to note that all the recommendations of the previous audit conducted in 2000 (AA2000/12/9) had been satisfactorily implemented and have been closed. This audit confirmed that SCBD is committed to maintaining a strong internal control environment. OIOS would like to commend SCBD for the open approach it adopted to work with the audit team and for the prompt action taken in addressing the recommendations raised in the areas discussed below.

Governance

There appeared to be adequate governance mechanisms for overseeing the work of the SCBD and the Protocol on Biosafety. To further strengthen current mechanisms, SCBD should establish procedures for the accreditation of Non Governmental Organisations and follow up more strictly on the receipt of credentials signed by Heads of State and Governments for Government delegates.

Host Country Agreement

OIOS was pleased to note that reimbursable taxes totalling approximately US\$240,000, due from the provincial government at the time of the last audit, had been received and SCBD was no longer encountering difficulties in claiming back taxes from Federal and Provincial Government.

Organisational structure and functions

The current organizational structure dates back to the development phase of SCBD, which was primarily focussed on servicing meetings. SCBD is now entering the implementation phase and OIOS is of the opinion that the current structure may not be capable of sustaining the current meeting schedule plus additional monitoring activities that will be required as part of the implementation phase. OIOS is also concerned that UNEP has still not sent a statement of delegated authority to the UNEP administered Conventions.

Rental Agreement

SCBD's right to rent-free accommodation expired in 2001. OIOS is of the view that SCBD should approach the Canadian Government and the State of Quebec to see if they would be willing to house SCBD rent free to enable SCBD to use the current rental of approximately US\$775,000 per annum for delivery of its mandate.

Conference Services

SCBD sought and was granted, by COP 5 in 2000, approval to establish a conferences services section costing approximately US\$500,000 per annum at the time of the audit. The need for a specialist function dealing with organising meeting has been established but a review of whether this function should be outsourced or supplemented by external assistance needs to be undertaken to establish the

cost effectiveness of having a conference services section in house.

Human Resources Management

Arrangements for human resources management could be strengthened by seeking UNON and UNEP assistance with accelerating the recruitment process, and, creating policies on training, overtime, and travel of participants.

Financial Management

OIOS was very pleased to note that controls over financial management were adequate. These could be strengthened further by the formulation of a funding strategy that targets other Member States instead of traditional donors only, and start paying all staff salaries through Electronic Funds Transfer.

Security and safety

To enhance security of both staff and property, SCBD should request assistance from UNON security in liaising with ICAO and discussing and agreeing their responsibilities towards SCBD as the lead agency for security in Montreal. SCBD should also issue individual identification cards to all staff members and develop guidelines on minimum level of United Nations security required for meetings and conferences..

May 2006

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I. INTRODUCTION

1. This report discusses the results of an OIOS audit of UNEP Secretariat to the Convention on Biological Diversity (SCBD), which was carried out in February and March 2006 in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. By an agreement of the world leaders at the Earth Summit in Rio de Janeiro, in 1992, the Convention on Biological Diversity was formed to ensure conservation of biological diversity, sustaining use of its components, and the fair and equitable sharing of the benefits from the use of genetic resources. It entered into force on 29 December 1993 with current participation of 188 Parties and is governed by a Conference of Parties supported by a Secretariat that is housed by UNEP in Montreal, Canada. The functions of the Secretariat are to:

- (a) Arrange for and service meetings of the Conference of the Parties provided for in Article 23;
- (b) Perform the functions assigned to it by any protocol;
- (c) Prepare reports on the execution of its functions under this Convention and present them to the Conference of the Parties;
- (d) Coordinate with other relevant international bodies and, in particular to enter into such administrative and contractual arrangements as may be required for the effective discharge of its functions; and
- (e) Perform such other functions as may be determined by the Conference of the Parties.

3. The Secretariat is headed by an Executive Secretary at the ASG level and is supported by 42 Professional and 29 General Service staff. The budget for the biennium 2004-2005 was approximately US\$28 million. The Parties to the Convention have established trust funds to meet the costs of administering SCBD, including the costs of the Secretariat. Collected contributions for 2005 amounted to approximately US\$16 million.

4. OIOS previously reviewed the SCBD in 2000 (AA2000/12/9). The findings and recommendations were reviewed as part of this audit and any issues, which were still open, are discussed further in the body of the report while those which were closed were followed up to ensure there were no changes. A draft of the report was shared with Mr Ahmed Djoghlaif, Executive Secretary of the Secretariat on Biological Diversity in March 2006, whose comments, which were received in April 2006, are reflected in the attached final report, in italics. OIOS is pleased to note that action has been initiated to address all recommendations raised.

II. AUDIT OBJECTIVES

5. The overall objective of the audit was to advise the Executive Secretary, SCBD on the adequacy of arrangements for the administration of SCBD activities. This included assessing:

- (a) whether the governance framework provided SCBD adequate guidance and support for the definition and execution of its responsibilities;
- (b) whether SCBD management had established adequate mechanisms to ensure that it understood and was only executing activities in support of its mandate; and,
- (c) whether internal control systems for administering the convention were adequate and were operated in compliance with United Nations Regulations and Rules.

III. AUDIT SCOPE AND METHODOLOGY

6. The audit focussed on the adequacy of overall arrangements for administration of SCBD. The audit covered activities for the biennium 2004-2005 with a total expenditure of approximately US\$28 million.. It included a review and assessment of internal control systems, interviews with staff, analysis of applicable data and a review of the available documents and other relevant records.

7. OIOS also followed up on the implementation of the recommendations raised in the previous audit referred to above.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Governance

(a) Secretariat to the Convention on Biological Diversity (SCBD)

8. There appeared to be an adequate governance structure in place for overseeing the work of the SCBD comprising a Conference of Parties (COP) and a Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA). A mechanism was in place for the implementation, monitoring and follow-up of COP decisions. All decisions were numbered and a quarterly status report was produced which was posted on the SCBD website. The Social Economic and Legal Affairs Division of SCBD collated all decisions implemented and presented them to the COP for decision to retire them. The reporting mechanism, roles, and responsibilities were defined.

(b) Cartagena Protocol on Biosafety

9. A protocol on Biosafety was signed in 2000, which has its own governing body, referred to as the Conference of Parties serving as the Meeting of the parties to the Protocol (COP/MOP). The relationship between SCBD COP and COP/MOP was described in an information note given to the Intergovernmental Committee for the Cartagena protocol on Biosafety in 2001. This makes clear that the SCBD COP is the parent body and the COP/MOP is part of and not separate from the Convention.

(c) Secretariat

10. The Secretariat established to serve the Convention on Biological Diversity was also established to serve as the Secretariat to the Protocol. The Protocol states that COP/MOP will pay for distinct costs related to its administration. SCBD, with the agreement of the SCBD COP, have interpreted this to mean that there are posts whose costs cannot be shared because they are paid out of the common pool into which both the Protocol and the Convention pay. These are the posts funded by Programme Support Costs. There are other posts, such as the legal officer, where the activity can be shared, and OIOS was pleased to note that a time recording exercise was implemented to establish an initial split of 85 percent of their time being charged to SCBD. OIOS was very pleased to note SCBD is continuing to use the time recording system, and has experimented with expanding the system to all staff.

(d) Credentials and accreditations

11. SCBD has not been following the rules of procedures for the presentation of credentials for Non-Governmental Organisations for the conferences and meetings. Similarly, SCBD has not been following up on the receipt of credentials signed by Heads of State and Governments for government delegates.

Recommendation:

To ensure that the work of the Convention is not compromised, the Secretariat to the Convention on Biological Diversity should establish procedures for the accreditation of Non Governmental Organisations and follow up more strictly on the receipt of credentials for government delegates (Rec. 01).

12. *SCBD commented that it accepted the recommendation and it would ensure a strict implementation of the rules of procedure regarding credentials and will submit to the parties for review, a draft policy for accreditation of NGOs to CBD meetings.* OIOS thanks SCBD and will close the recommendation upon receipt of the draft policy for accreditation of NGOs to CBD meetings.

B. Mandate/Mission

13. The mandate and mission of the Convention on Biological Diversity and the Protocol were set out in Section one and two of the 2005 version of Handbook of the Convention on Biological Diversity. OIOS was especially pleased to note that the Handbook of the Convention on Biological described a mechanism to update the mandate and mission in response to changes in activities.

C. Host Country Agreement

(a) Local Taxes

14. OIOS was pleased to note that an amount of approximately US\$240,000, which was identified as due from the provincial government at the time of the last audit, had been received and SCBD was no longer encountering difficulties in claiming back taxes from Federal and Provincial Governments. No further action is proposed beyond recording this saving in the next OIOS annual report.

(b) Supplementary agreement with the Provincial Government of Quebec

15. OIOS was pleased to note that the supplementary agreement with the Provincial Government of Quebec, which was not signed at the time of our last audit, was signed in March 2001, and was in line with the 1946 Convention on Privileges and Immunities.

D. Organisational Structure and functions

(a) Delegation of authority

16. Prior OIOS audits found that there was no clear statement of delegated authority from UNEP to its outposted offices, including UNEP administered Conventions, in respect of administration of programme, personnel and other resources and activities. UNEP informed

OIOS in 2000 that it was drafting a document dealing with delegated authority. OIOS was very concerned to note that at the time of this audit no statement had yet been issued in respect of delegated authority for administrative activities to UNEP offices away from Nairobi headquarters.

(b) Roles and Responsibilities

17. The roles and responsibilities of each part of the organisational structure of the Convention and the Protocol were defined in each budget document and made available on the website for public access. The roles and responsibilities were approved by the SCBD Executive Secretary, and involved consultations with the UNEP headquarters. OIOS is of the opinion that the information should be extracted from the budget document and placed on the intranet, as an easy reference for staff and other interested parties.

Recommendation:

To ensure that Secretariat to the Convention on Biological Diversity (SCBD) and other interested parties are aware of the roles and responsibilities of the various SCBD divisions, SCBD should ensure that after the approval of each budget document, the information relating to roles and responsibilities is placed on the intranet (Rec. 02).

18. *SCBD commented that it accepted the recommendation and would implement it during 2006.* OIOS thanks SCBD and will close the recommendation upon notification that roles and responsibilities of the various SCBD divisions have been placed on the intranet.

(c) Reporting Lines

19. The reporting lines of the Convention and the Protocol were clearly set out in the organigram shown in the quarterly report to the SCBD COP, which is posted on the website. As with the roles and responsibilities, OIOS is of the opinion that such information should also be posted on the intranet, for ease of access. This is covered by recommendation 02 above and no further action is proposed.

(d) Structure

20. The current structure dates back to the development phase of SCBD, which was primarily focused on servicing meetings. OIOS noted that SCBD was currently servicing over 50 meetings per biennium, which was absorbing the available resources. SCBD is now entering the implementation phase and OIOS is of the opinion that the current structure may not be capable of sustaining the current meeting schedule plus additional monitoring activities that will be required as part of the implementation phase. SCBD Management responded that “ *The parties are aware of the need to adjust the CBD to the new phase and convened an Open Ended Working Group on the Review of the Implementation of the Convention which was held in September 2005 in Montreal. The Eighth COP in reviewing the report decided to convene the second meeting of the working group before COP 9 to be held in Germany in 2008. The Secretariat will prepare a set of documents to assist the working group to fulfil its mandate. In addition, three budget documents were submitted by the Secretariat to COP 8 clearly articulating and costing the transition from the development to the implementation phase. The COP in its decision VIII/31.33 inter alia “authorizes the Executive Secretary to review the terms of reference of posts in the Secretariat with a view to adjusting the staffing to meet the new*

challenges facing the Convention and to ensure the effective functioning of the Secretariat. A report on this issue will be submitted to COP-9 in the report on the administration of the convention for 2007-2008 biennium.” OIOS thanks SCBD and no recommendation will therefore be raised.

E. Memorandum of Understanding, Agreements and Contracts with other Organisations

21. SCBD did not have a list of the Memorandum Of Understanding (MOU)s that had been entered into, or were in force at the time of the audit. There was no documentation explaining when and in what circumstances MOUs should be raised, and as a consequence, OIOS noted that MOUs were being raised for such things as the organisation of a conference. In addition, the MOUs that were being raised were not being passed through the legal officer.

Recommendation:

To ensure the Secretariat to the Convention on Biological Diversity (SCBD) has a clear understanding of when to use Memorandums Of Understanding (MOU)s, and to ensure that there are mechanisms to ensure that MOUs are complied with, SCBD should seek advice from UNON and UNEP in the creation of a document dealing with the creation and implementation of MOUs and related types of agreements (Rec. 03).

22. *SCBD commented that it accepted the recommendation and would implement it during 2006.* OIOS thanks SCBD and will close the recommendation upon receipt of a document dealing with the creation and implementation of MOUs and related types of notification that roles and responsibilities of the various SCBD divisions have been placed on the agreements.

F. Provision of Services to SCBD

(a) Rental agreement

23. At the time of the last audit SCBD received free accommodation inclusive of such things as rent, cleaning, maintenance, security, gardening, landscaping, and waste collection. This arrangement expired in 2001 and, as the landlord was reluctant to renew the rental agreement rent free, SCBD sought and was given COP approval to pay rent of approximately US\$775,000 per annum (2002 up to the time of the audit). OIOS found evidence that SCBD had made efforts to find cheaper accommodation within Montreal. However, there was no evidence that they had approached the Canadian Government or the State of Quebec to see if they would be willing to house SCBD rent free, and if not, whether other partners in the public and private sectors could be approached for rent free accommodation. OIOS was also concerned that the rent was being paid one month in advance, which is not in accordance with UN Financial Regulations and Rules (105.19).

Recommendation:

Since all financial incentives made on behalf of the host government have been subsequently renewed except for the rental of office space, Secretariat for the Convention on Biological Diversity should see if rent free status can be reinstated or alternatively approach other partners in the public and private sectors for rent free accommodation (Rec. 04).

24. SCBD commented that it accepted the recommendation and would implement it during 2006. OIOS thanks SCBD and will close the recommendation upon notification that rent-free status has been reinstated.

(b) Offer of Gratis Personnel

25. The Canadian Government offered SCBD loans of services valued at US\$150,000 per year for five years in the form of a loan of professional services of a neutral character in the field of management or administrative support. The posts for this purpose were created but not filled, as the loan would have resulted in Gratis Type II Personnel. The action taken by the Secretariat not to utilize this loan is commendable as it would have been against the UN Regulations and Rules (ST/AI/1999/6 - Gratis Personnel).

(c) Service Level Agreement

26. UNON recently signed a service level agreement with UNEP governing timeframes and milestones for delivery of services. SCBD had not been aware of the service level agreement and whether it would apply to services delivered to SCBD and the Protocol.

Recommendation:

To ensure that Secretariat to the Convention on Biological Diversity (SCBD) has a mechanism to hold UNON accountable for services provided, SCBD should clarify with UNEP whether the service level agreement signed with UNON applies to the Conventions, and if not should seek assistance from UNEP in putting an agreement in place which covers the UNEP Conventions operating in Montreal (Rec. 05).

27. SCBD commented that as the host of the SCBD, UNEP should ensure that the service level agreement signed with UNON should also cover the UNEP administered conventions including CBD. It is suggested that the recommendation be redrafted accordingly. OIOS thanks SCBD for its clarification but considers that it is the responsibility of SCBD to first discuss with UNEP whether the existing UNEP service level agreement should cover SCBD or whether a separate agreement is required. The recommendation will be closed upon notification of the outcome of discussions with UNEP and the actions consequently undertaken to improve accountability of UNON for services provided to SCBD.

(d) Conference Services

28. SCBD sought and was granted approval to establish a conferences services section at the COP 5 in 2000, currently costing approximately US\$500,000 per annum. This was in recognition of the high number of meetings, which were organised and planned per biennium, which could exceed 50 in number. The need for a specialist function dealing with organising meeting has been established but a review of whether this facility should be outsourced or supplemented by external assistance has never been undertaken.

Recommendation:

To ensure that Secretariat to the Convention on Biological Diversity (SCBD) is able to deliver and effectively service meetings, SCBD should hire

a conferences services specialist to advise on the optimal resources required to meet the needs of SCBD and the balance between in-house and use of external resources (Rec. 06).

29. *SCBD commented that it accepted the recommendation and would request UNON to hire a consultant to undertake the review in 2006.* OIOS thanks SCBD and will close the recommendation upon receipt of a copy of the consultants report on the optimal resources required to meet the conference service needs of SCBD and the balance between in-house and use of external resources.

G. Work programme

30. The planning process is known and understood by all involved in the preparation of the work programme, but the process has never been formally documented. Given that SCBD is moving from the development to the implementation phase, which might require a re-examination of elements of the planning process, OIOS is of the opinion that formally documenting the process would be of value.

Recommendation:

To improve the effectiveness and transparency of the planning process for the creation of the work programme, Secretariat to the Convention on Biological Diversity should develop a framework document to make staff aware of the elements and their respective roles and responsibilities in the planning process (Rec. 07).

31. *SCBD commented that it accepted the recommendation and would implement it during 2006.* OIOS thanks SCBD and will close the recommendation upon receipt of a framework document on the planning process.

H. Human Resources Management

(a) Staffing Table

32. SCBD records showed 31 Professional and 26 General Service Staff whilst UNON records showed 42 Professional and 36 General Service Staff. The cause of the discrepancy was that SCBD was not regularly receiving the staffing table information maintained by UNON.

Recommendation:

To ensure the completeness and accuracy of the Secretariat to the Convention on Biological Diversity (SCBD) staffing table, SCBD should liaise with UNEP and UNON HRMS to put in place procedures to facilitate a flow of information between the three offices sufficient to ensure that all three have an accurate and complete copy of SCBD staffing table (Rec. 08).

33. *SCBD commented that it accepted the recommendation and would implement it during 2006.* OIOS thanks SCBD and will close the recommendation once procedures are put in place to facilitate a flow of information between UNEP, SCBD and UNON HRMS in connection with the staffing table.

(b) Programme Support Cost Staff

34. SCBD paid US\$3million in Programme Support Costs (PSC) for the biennium 2004-2005 and in return received four Professional and six General Service posts at a cost of approximately US\$1.2million. OIOS is of the opinion that there may be scope for SCBD to explore with UNON the possibility of using some of the PSC for covering other overheads such as training. This is addressed in recommendation 11 and no further action is proposed.

(c) Fellowship programme

35. OIOS noted that SCBD has established a fellowship programme for scholars from developing country Parties to gain knowledge in the area of biodiversity at an approximate cost of US\$15,000 per fellow. The programme is funded by the member states as part of the core budget. The fellows are paid travel costs and a stipend from the core budget. The current arrangements seem to be a form of internship programme, which would mean that a payment could not be made from the core budget to cover their costs.

Recommendation:

To ensure compliance with applicable United Nations Regulations and Rules, the Secretariat to the Convention on Biological Diversity (SCBD) should seek guidance from UNON on the establishment and operation of its fellowship programme (Rec. 09).

36. *SCBD commented that it accepted the recommendation and would implement it during 2006.* OIOS thanks SCBD and will close the recommendation upon notification that guidance has been sought from UNON on the establishment and operation of the fellowship programme.

(d) Job Descriptions/Classification

37. SCBD currently operates a system of reviewing and updating job descriptions when jobs are re-advertised or new functions are formed. Consequently, OIOS found up to date job descriptions for the staff of the Protocol and for recently formed sections such as Conference Services section. OIOS took a sample of the remaining job descriptions and noted that they had not been reviewed since 1997, though SCBD admitted that job descriptions for some of these staff might have changed. SCBD has taken action on this point in discussion with the COP, as outlined in paragraph 20 above, and no additional recommendation is raised.

(e) Recruitment

38. Fifteen staff were hired in 2004 and 2005. OIOS reviewed two cases and was satisfied that the recruitments had been carried out in accordance with ST/AI/2002/4 and UNEP/CBD/COP/4/24.

(f) Vacancy rate

39. At the time of the audit, OIOS noticed a 27 percent vacancy rate, which included 21 posts, one of which was initiated in 2003. SCBD attributes this to problems with the Galaxy system but there was no analysis to show where within the Galaxy process the problems had occurred.

Recommendation:

To assist in improving the recruitment process, Secretariat to the Convention on Biological Diversity (SCBD), in consultation with UNEP and UNON, should undertake a review of where the recruitment problems are occurring and prepare a report for consideration by SCBD Executive Secretary and UNON Director, Division of Administrative services outlining the actions which can be taken to improve the recruitment situation (Rec. 10)

40. SCBD commented that the Executive Secretary has already requested that the chief of recruitment of UNON visit Montreal to consider ways and means to expedite the recruitment process. A meeting between the Executive Secretary and the OIC of UNEP was held in Nairobi on 13 April 2006 on this issue. Instead of requesting a report, the auditors may wish to call on heads of UNEP and UNON to review the reasons behind such a delay with a view of filling all the vacant posts as soon as possible. OIOS thanks SCBD for the prompt action taken. Whilst it appreciates that the immediate need of SCBD is to fill vacancies, OIOS believes it is important for UNEP and UNON to discuss and establish the causes of the problems and how they can be prevented in the future. This may identify problems that are common to more than one convention. OIOS therefore believes that the report must be produced and will close the recommendation upon receipt of a copy of report analysing the causes of the problem and the actions taken to prevent a recurrence.

(g) SCBD Training

41. OIOS was pleased to note that a training needs assessment was undertaken in 2002, which resulted in a staff development plan and which covered the United Nations Competencies. At the time of the audit, a costed action plan to implement the training identified was still under development and the plan did not address the number of days training per year staff could expect to receive. It also excluded basic training in the applicability of United Nations Regulations and Rules to the Convention.

Recommendation:

Secretariat to the Convention on Biological Diversity should, with assistance from UNON and UNEP, create a training policy which includes how training needs will be identified, how much training staff should receive a year, how the training should be funded, including the possibility of using Programme Support Costs (Rec. 11).

42. SCBD commented that it would request UNON to assist in preparing such a training policy to be funded under the programme support costs, as the budget adopted by COP8 for 2007-2008 makes no financial provisions for such training requirement. OIOS thanks SCBD and will close the recommendation upon receipt of a copy of the training policy detailing how the training will be funded.

(h) E-PAS

43. OIOS noted that there appeared to be satisfactory arrangements in place to ensure that performance appraisals were carried out in accordance with ST/AI/2002/03 (Performance Appraisal System) and as such, no recommendation is raised.

(i) Leave

44. As per the prior audit, OIOS was pleased to note that SCBD appeared to have a satisfactory system in place with respect to leave and as such, no recommendation is raised.

(j) Compensatory Time Off (CTO) and Overtime

45. From 2001 to 2005, approximately 30 SCBD Professional staff members were granted CTO. Whilst this practice is in conformity with the staff rules of the lead agency, ICAO, there was no evidence that the system SCBD practiced was conducted in accordance with these staff rules, and there was no evidence of consultation with the other UNEP Convention in Montreal to ensure that practices were harmonised. As such, OIOS was pleased to note that the practice was suspended in January 2006.

46. The absence of procedures and policies on overtime also extended to General Service Staff, suggesting to OIOS the need for a general review of this area.

Recommendation:

To ensure the procedures on compensatory time off and overtime are transparent and in line with UNEP practices and those of other United Nations agencies in Montreal, Secretariat to the Convention on Biological Diversity should create its own procedures, in consultations with UNON and UNEP, which should be placed on the intranet (Rec. 12).

47. *SCBD commented that it accepted the recommendation and would implement it during 2006.* OIOS thanks SCBD and will close the recommendation upon receipt of a copy of the procedures on compensatory time off and overtime.

(k) Private Use of Telephone, fax and DHL

48. OIOS was pleased to note that since the previous audit, SCBD had established an adequate system to track and recover expenditures arising from private use of telephones, fax and courier, which appeared to be working effectively.

(l) Consultants and Individual Contractors

49. For the period 2004-2005 SCBD entered into around 300 Consultant Contracts and Contracts for Individual Contractors' agreements, at a cost of approximately US\$1.5 million. OIOS reviewed ten percent of these contracts and noted a lack of documentary evidence on file to support compliance with the ST/AI/1999/7, such as terms of reference not always present on the file. In addition, OIOS found two examples where SCBD utilised Consultancy Contracts to hire the services of a company instead of an individual and, one instance where SCBD did not use an all-inclusive fee when entering into agreements with an individual contractor.

Recommendation:

To ensure compliance with ST/AI/1999/7 is documented, the Secretariat for the Convention on Biological Diversity should ensure evidence is available on file to support that people are hired in accordance with the ST/AI, and that a

checklist is developed to ensure that all its conditions are complied with (Rec. 13).

50. SCBD commented that it accepted the recommendation and would implement it during 2006. OIOS thanks SCBD and will close the recommendation upon receipt of a copy of the procedures outlining the documentation that should be kept on file and who has responsibility for ensuring the completeness and accuracy of the files.

(m) Travel Policy

51. At the time of the audit SCBD had a travel policy based on the COP decision III/24, which stated that travel of participants from developing countries, in particular least developed countries and small-island developing states will be funded. SCBD policy was to fund one participant and it was the responsibility of the national focal point of the member state to select the candidate. However, OIOS is concerned that this policy has not been translated into procedures to implement this policy, in particular how a decision is made between countries when limited funding is available. *SCBD commented that the Conference of the Parties in its decision VIII/31.21, "requests the Executive Secretary with guidance from the Bureau of the Conference of the Parties, to develop as an interim arrangement for the 2007-2008 biennium pending endorsement by the Conference of the parties at its ninth meeting, procedures for the allocation of funding from the Special Voluntary Trust Fund (BZ) for Facilitating Participation of parties in the Convention Process", to developing countries, in particular the least developed countries and small island developing States, as well as Parties with economies in transition, to secure adequate representation from each region;" The Secretariat will fulfil this audit recommendation through the implementation of this COP decision.* OIOS thanks SCBD for this additional information, in light of which, no further action is proposed.

I. Financial Management

(a) Unpaid pledges

52. OIOS followed up on the recommendation raised its prior audit (AA2000/12/9/03) and confirmed that there appeared to be adequate arrangements in place to follow up on unpaid pledges. Reminders were sent twice or three times a year to member states and there was a good liaison between SCBD and UNON BFMS, who are responsible for the follow-up. The recommendation is closed and OIOS proposes no further action.

(b) Strategy for collecting voluntary contributions

53. SCBD was asked (AA2000/12/9/04) to develop a strategy for collecting the amounts pledged for the General Trust Fund for Additional Voluntary Contributions in Support of Approved Activities under the Convention on Biological Diversity and the General Trust Fund for Voluntary Contributions to Facilitate the participation of parties in the Convention on Biological Diversity and to consider the staff resources required to execute the strategy. The SCBD strategy has been to target the 27 core contributors out of the potential 188 COP members and there has been limited consideration of the scope for charging for such things as publications which, at the time of audit were free. The existing recommendation is closed and replaced by a new one.

Recommendation:

To ensure that adequate funds are sourced for the voluntary contributions for additional activities such as conferences and to facilitate developing country participation in the meetings of the Convention Secretariat to the Convention on Biological Diversity should formulate a strategy that targets not only traditional donors but all COP Member States and also explore other options such as charging for publications (Rec. 14).

54. SCBD commented that it accepted the recommendation and would implement it during 2006. OIOS thanks SCBD and will close the recommendation upon receipt of a funding strategy that targets not only traditional donors, but all Members States as long as they are members of COP and also explore other options such as charging for publications.

(c) Certifying and approving functions

55. SCBD has up to date documentation demonstrating that certifying functions had been set up in accordance with United Nations Financial Regulations and Rules. Furthermore, OIOS noted that the Approving functions had been delegated by the Controller to Finance Officers in BFMS UNON in accordance with Financial Rule 105.6 and ST/AI/352/Add.2/Rev.1.

(d) Financial reconciliations

56. OIOS was pleased to note that there was a comprehensive mechanism for periodic reconciliations of records, which will be further strengthened with the introduction of direct on-line access to IMIS later this year. Of particular note were the efforts spent in producing and reconciling discrepancy reports, for all reconciliations carried out.

(e) Accounting policies for reporting financial information

57. The SCBD financial statements for the year ended 31 December 2004, produced by BFMS UNON, did not tally with the records held by SCBD. For example, the General Trust Fund for additional Voluntary Contributions in Support of approved activities under the Convention on Biological Diversity (BE) as at December 2004 showed the account receivable to be approximately US\$214,000 while the records held by SCBD showed approximately US\$721,000. OIOS concluded that this was due to the absence of policies detailing the cut off point at which contributions should be written off. OIOS was of the opinion that there was scope for general review of accounting policies in general dealing with such as issues as receipt of miscellaneous income, and whether such funds could be retained by SCBD, given its status as an organisation under the umbrella of the United Nations.

Recommendation:

To facilitate accurate and consistent treatment and reporting of financial information in accordance with United Nations accounting policies and United Nations Financial Regulations and Rules, the Secretariat for the Convention on Biological Diversity, in consultation with UNON and UNEP, should undertake a review of the practices for treatment and recording of financial information, which should include the scope for seeking exemption from relevant United Nations policies and requirements, because of the status of the Convention as an organisation under the umbrella of the United Nations (Rec. 15).

58. SCBD commented that it accepted the recommendation and would implement it during 2006. OIOS thanks SCBD and will close the recommendation upon receipt of a copy of the review of policies and procedures for the treatment and recording of financial information.

(f) Budgets

59. OIOS observed that SCBD had not adopted results-based budgeting, which is the standard currently used within the United Nations for production of budgets. SCBD was following instructions received in 1997 from UNEP to prepare their budget on the basis of direct commitment on programmes.

Recommendation:

To ensure that budgets are prepared in accordance with the correct standards, Secretariat for the Convention on Biological Diversity should seek advice from UNEP and UNON on whether it should be preparing Results-Based Budgets and the results of this discussion should be brought to the attention of the next COP for their consideration (Rec. 16).

60. SCBD commented that it accepted the recommendation and would implement it during 2006. OIOS thanks SCBD and will close the recommendation upon notification of the outcome of discussions with UNEP and UNON on whether SCBD is required to prepare a results-based budget and, if SCBD has discretion in such matters, notification of the outcome of discussions with the COP on which budgetary model SCBD has decided to adopt.

(g) Imprest Accounts and petty cash

61. The imprest account was being automatically replenished based on monthly disbursements, as recommended by OIOS in its last audit (AA2000/12/9/05). Current arrangements for the replenishment appeared adequate, as were the arrangements for petty cash, which had greatly improved since the last audit.

(h) Receipts

62. OIOS prior audit AA2000/12/9/109 recommended that SCBD should review current arrangements for receipt of incoming documents and ensure that items such as cheques are logged on receipt by the registry. A system is in place for the logging in of all incoming document electronically and therefore no further action is proposed.

(i) Staff receivables

63. Systems in place for the recovery of staff receivables appeared adequate as most of the outstanding telephone bills and travel advances outstanding as at 31 December 2005 were recovered at the time of the audit.

(j) Bank Signatory

64. OIOS reviewed the list of bank signatories and noted that they have been properly delegated the function and that none exercised the approving functions as per Financial Rules 104.5 and 105.6.

(k) Payroll cheques

65. OIOS observed that SCBD has been issuing pay cheques to staff members opting to be paid in Canadian dollars. OIOS is of the view that staff members opting to be paid in Canadian dollars should have the money sent by Electronic Funds Transfer (EFT) using the United Nations official exchange rate. This issue was also discussed with UNON who also saw no problems with moving to EFT.

Recommendation:

To ensure security and efficiency of payroll disbursements Secretariat to the Convention on Biological Diversity (SCBD) should request UNON to pay salaries directly into SCBD staff accounts (Rec. 17).

66. *SCBD commented that it accepted the recommendation and would implement it during 2006.* OIOS thanks SCBD and will close the recommendation once confirmation is received that all salaries are paid through EFT.

J. Procurement

(a) Quotations

67. SCBD disbursed approximately US\$675,000 for procurement from January 2004 to December 2005. OIOS sampled 20 procurement actions representing around 60 percent of disbursements and found that no quotations were obtained for three companies as required by the UN Procurement Manual. After an initial competitive bidding exercise to select the companies SCBD practice has been to hire the same company on the basis of a price check that they remained competitive in respect to other companies. This process, whilst it is efficient, is not in accordance with the procurement manual that encourages the use of a competitive selection process. Section 9.4 of the UN Procurement Manual sets the criteria and recommends that a competitive bid or request for quotation be done whenever procurement actions are being initiated. Alternatively, SCBD should consider entering into a systems contract if it is determined, based on previous experience and project needs, that the deliverables to be procured are required on a recurring basis, for an extended period of time.

Recommendation:

To ensure that services obtained by Secretariat to the Convention on Biological Diversity (SCBD) are subject to competitive bidding in accordance with the UN procurement manual, SCBD should consider the use of systems contracts for provision of repetitive services which should be initially for three years and could be extended to a maximum of five years after which fresh bidding exercise should be undertaken (Rec. 18).

68. *SCBD commented that it accepted the recommendation and would implement it during 2006.* OIOS thanks SCBD and will close the recommendation upon notification of the modalities put in place for handling suppliers of repetitive services, and the rationale for the modalities adopted.

(b) Procurement Contracts

69. SCBD entered into 16 service contracts worth approximately US\$57,000 per annum. None of the contracts was individually valued at more than US\$30,000 requiring an invitation to bid. The procurement actions were solicited through informal quotations via phone, fax or email. OIOS reviewed the procedures that were applied and was happy to note that in all cases reviewed quotations were obtained and the technically lowest quote were selected.

70. In order to further strengthen the internal controls, the following needs to be done:

- a) The service contracts should not include a clause requiring advance payments as UN Financial Rules 105.19 states that, “except where normal commercial practice or interests of the UN so require, no contract or other form of undertaking shall be made on behalf of the UN which requires a payment or payments on account in advance of the delivery of products or the performance of contractual services.
- b) Extensions of existing service contracts should only be done after critical evaluations of past performance to ensure that value for money is obtained for the service being provided.

Recommendation:

To strengthen the internal controls over service contracts and ensure adherence to the United Nations Financial Rules and the Procurement Manual, Secretariat to the Convention on Biological Diversity should ensure that service contracts signed do not include a clause requiring advance payments as United Nations Financial Regulations and Rules 105.19 preclude advance payments except where normal commercial practice or interests of the United Nations so require. Furthermore, extensions of existing service contracts should only be done after critical evaluations of past performance to ensure that value for money is obtained for the service being provided (Rec. 19).

71. *SCBD commented that it accepted the recommendation and would implement it during 2006.* OIOS thanks SCBD and will close the recommendation upon receipt of the procedures developed to ensure that service contracts do not include a clause requiring advance payments and details of the modalities of how extensions of service contracts will be evaluated prior to renewal.

(c) Travel Agents

72. SCBD utilised three different suppliers to provide travel-related services but it was not clear that this decision was in accordance with the United Nations Procurement Manual. The rationale and basis for the use of three travel agents was clear, but no contracts had been signed. No assessment of the services offered by each supplier had been undertaken to gauge whether the services were in accordance with supplier’s proposal or whether the travel agents were providing the most convenient and cost effective service.

Recommendation:

To ensure the effectiveness and efficiency of its arrangements, and compliance with United Nations procurement rules, Secretariat for the Convention on Biological Diversity should assess the specific services it

requires from travel suppliers, request bids from a minimum of ten suppliers in accordance with the United Nations Procurement Manual, select the supplier(s) who are able to provide the most convenient and cost effective service, submit the selected suppliers to the Local Contracts Committee for approval, sign contract(s) with the selected and approved supplier(s) and monitor the performance of the supplier(s) in accordance with the contract(s) signed (Rec. 20)

73. SCBD commented that it accepted the recommendation and would implement it during 2006. OIOS thanks SCBD and will close the recommendation upon receipt of a copy of the contract with the selected travel agent(s) and a copy of the procedures outlining who has responsibility for monitoring performance of the contract and how performance will be monitored.

K. Asset and Inventory Management

(a) Asset Inventory

74. There appeared to be an adequate system in place with respect to a system to create, maintain and update SCBD's asset and inventory control records, in compliance with Section One, paragraph 1.2 of ST/AI/2003/5 (Property management and inventory control at United Nations Headquarters).

(b) Movement and disposal of assets

75. OIOS is concerned that SCBD does not have an adequate system in place to comply with Section One, paragraph 1.2 of ST/AI/2003/5 (Property management and inventory control at United Nations Headquarters) with respect to monitoring the movement of its assets and recommending disposal of obsolete and unserviceable assets. This situation has been exacerbated by a lack of procedures on disposals, including the treatment of any income generated from the disposal of SCBD assets as recommended in United Nations Financial Rules 105.21, 105.22 and 105.23.

Recommendation:

To ensure Secretariat to the Convention on Biological Diversity (SCBD) does not retain or store obsolete and/or non-functioning assets, OIOS recommends that SCBD undertake an exercise to identify all obsolete and/or non-functioning assets and provide the list to the Local Property Survey Board for their approval to dispose of or write-off each (Rec. 21).

76. SCBD commented that it accepted the recommendation and would implement it during 2006. OIOS thanks SCBD and will close the recommendation once confirmation is received that all obsolete assets have been identified and submitted to LPSB.

Recommendation:

To ensure Secretariat to the Convention on Biological Diversity (SCBD) has adequate procedure in place with respect to disposal of assets, SCBD should seek assistance from UNON in the creation of a policy including the disposal of assets and the treatment of income generated as the result of

disposal of SCBD assets (Rec. 22).

77. SCBD commented that it accepts accepted the recommendation and would implement it during 2006. OIOS thanks SCBD and will close the recommendation upon receipt of a copy of the policy on the disposal of assets including treatment of income generated.

(c) Room Inventories

78. SCBD does not maintain room inventories to indicate which assets reside in a room, to monitor the movement of assets, and to ensure a room occupant is held responsible for the assets in the room.

Recommendation:

To ensure Secretariat to the Convention on Biological Diversity (SCBD) staff members are held accountable for the assets in their care and to monitor the movement of SCBD assets, room inventories should be maintained by both the SCBD Fund and Administration Unit and individual staff members (Rec. 23).

79. SCBD commented that it accepted the recommendation and would implement it during 2006. OIOS thanks SCBD and will close the recommendation once confirmation is received that room inventories have been implemented.

(d) Physical Inventories

80. SCBD has undertaken periodic physical inventories of all of the assets in its charge, however, SCBD does not have policies and procedures to guide staff members on how to undertake the physical inventory, nor how to report the findings resulting from the physical inventory to the SCBD Fund and Administration Unit.

Recommendation:

To ensure Secretariat to the Convention on Biological Diversity staff members are clear on their responsibilities in respect of physical inventories, the Fund and Administration Unit should prepare stocktaking procedures to provide the staff members undertaking the physical inventory with guidance on what is required of them in undertaking the physical inventory and what reporting is required at the end of the exercise to assess movements of assets (Rec. 24).

81. SCBD commented that it accepted the recommendation and would implement it during 2006. OIOS thanks SCBD and will close the recommendation upon receipt of a copy of the stocktaking procedures, which include guidance on what is required of staff undertaking the physical inventory and what reporting is required at the end of the exercise to assess movements of assets.

L. Information and Communication Technology (ICT)

82. OIOS was pleased to note that SCBD had an Information Systems Strategy addressing the programmatic ICT needs. However, there was no evidence of any strategy or a policy dealing

with administrative ICT needs. Consequently, OIOS noted that both the computers and the software were out of date and not aligned with that in use in UNEP Headquarters, which could have consequences for efficient exchange of information. OIOS was also concerned to learn that staff e-mails had been monitored in past and was pleased to note that the practice stopped in 2006. This further illustrates the need for policies to ensure that staff are aware of their rights and obligations with respect to use of IT equipment. In addition, replacement policies for IT equipment should be developed in conjunction with resource requirements, which should be presented to members states for approval.

Recommendation:

To ensure that Information Communication Technology assist the improving the efficient administration of Secretariat, Secretariat to the Convention on Biological Diversity needs to undertake a review of the adequacy of the current IT for meeting administrative needs and create a strategy which includes consideration of such things as a replacement policy, and internet usage policy and the required resources to attain the strategy (Rec. 25).

83. SCBD commented that it accepted the recommendation and would implemented in close collaboration with IT department of UNON. The issue of monitoring of emails is a serious issue and the Executive Secretary is of the strong view that strict measures should be put in place to avoid the occurrence of such unethical practices in the future. OIOS thanks and supports the SCBD position and will close the recommendation upon receipt of a copy of the results of the IT review, especially with respect to polices on use of e-mail.

M. Security and safety

(a) Designated Security Official

84. The International Civil Aviation Organisation (ICAO) in Montreal is the Designated Security Official for Canada. SCBD has a Security Focal Point, for dealing with ICAO who advised that ICAO is currently developing a country security plan for Canada. However, CBD informed OIOS that ICAO is not keeping them informed of security matters or inviting them to meetings to discuss security matters.

Recommendation:

Secretariat to the Convention on Biological Diversity should request assistance from UNON security in liasing with the International Civil Aviation Organisation and discussing and agreeing their responsibilities as the lead agency for security in Montreal (Rec. 26).

85. SCBD commented that it accepted the recommendation and would bring it to the attention of UNON security. OIOS thanks SCBD and will close the recommendation upon notification of the outcome of discussions with ICAO on their responsibilities as the lead agency for security in Montreal .

(b) Access to SCBD premises

86. Whilst SCBD has enhanced security by installing controlled access to the premises for staff

members through the issuance of access cards no review has been carried out to establish whether SCBD is compliant with MOSS. In addition, OIOS is concerned that there are no identification cards for staff members.

Recommendations:

To ensure that the Secretariat to the Convention on Biological Diversity (SCBD) complies with the Minimum Operating Security Standards (MOSS) as detailed by the Department of Safety and Security, SCBD should obtain written guidance from the Designated Official (DO) for Canada on what SCBD must do to achieve full compliance and request official recognition from DSS, via the DO for Canada, after these requirements are implemented (Rec. 27).

87. *SCBD commented that it accepted the recommendation and would implement it during 2006.* OIOS thanks SCBD and will close the recommendation upon notification that SCBD is MOSS compliant.

To enhance the controls surrounding access to the Secretariat to the Convention on Biological Diversity (SCBD) premises, SCBD should issue individual identification cards to all staff members, including their name, photo and signature (Rec. 28)

88. *SCBD commented that it accepted the recommendation and would implement it during 2006.* OIOS thanks SCBD and will close the recommendation once confirmation is received that individual identification cards have been issued.

(c) Security at Conferences and meetings

89. SCBD management raised concerns, which OIOS supports, at the need for guidance on the minimum levels of security that should be provided by United Nations staff during conferences and meeting held in a Host Country venue other than that of the headquarters of the organisation.

Recommendation:

To ensure adequate security is provided at conferences and meetings, Secretariat to the Convention on Biological Diversity (SCBD) should in consultation with UNON Security develop guidelines of the minimum-security requirements for conferences and meetings, and cost implications, which can be discussed with the SCBD Conference Of the Parties at their next meeting (Rec. 29)

90. *SCBD commented that it accepted the recommendation and would implement it during 2006.* OIOS thanks SCBD and will close the recommendation upon receipt of a copy of the guidelines for the minimum security requirements for conferences and meetings.

V. FURTHER ACTIONS REQUIRED ON RECOMMENDATIONS

91. OIOS monitors the implementation of its audit recommendations for reporting to the Secretary-General and to the General Assembly. The responses received on the audit recommendations contained in the draft report have been recorded in our recommendations

database. In order to record full implementation, the actions described in the following table are required:

Recommendation No.	Action Required
Rec. 01	Receipt of the draft policy for accreditation of NGOs to CBD meetings.
Rec. 02	Notification that roles and responsibilities of the various SCBD divisions as described in budget submissions have been placed on the intranet.
Rec. 03	Receipt of a document dealing with the creation and implementation of MOUs and related types of notification that roles and responsibilities of the various SCBD divisions have been placed on the agreements.
Rec. 04	Notification that rent free status has been reinstated.
Rec. 05	Notification of the outcome of discussions with UNEP and the actions consequently undertaken to improve accountability of UNON for services provided to SCBD.
Rec. 06	Receipt of the consultants report on the optimal resources required to meet the conference service needs of SCBD and the balance between in-house and use of external resources
Rec. 07	Receipt of a framework document on the planning process.
Rec. 08	Procedures are put in place to facilitate a flow of information between UNEP, SCBD and UNON HRMS in connection with the staffing table.
Rec. 9	Seek guidance from UNON on the establishment and operation of the fellowship programme.
Rec. 10	Receipt of a copy of report analysing the causes of the problem and the actions taken to prevent a recurrence.
Rec. 11	Receipt of a copy of the training policy detailing how the training will be funded.
Rec. 12	Receipt of a copy of the procedures on compensatory time off and overtime.
Rec. 13	Receipt of a copy of the procedures outlining the documentation that should be kept on file and who has responsibility for ensuring the completeness and accuracy of the files.
Rec. 14	Receipt of a funding strategy that targets not only traditional donors but all Members States as long as they are members of COP and also explore other options such as charging for publications.
Rec. 15	Receipt of a copy of the review of policies and procedures for the treatment and recording of financial information.
Rec. 16	Notification of the outcome of discussions with UNEP and UNON on whether SCBD is required to prepare a results-based budget and, if SCBD has discretion in such matters, notification of the outcome of discussions with the COP on which budgetary model SCBD has decided to adopt.
Rec. 17	Confirmation that all salaries are paid through EFT.
Rec. 18	Notification of the modalities put in place for handling

	suppliers of repetitive services, and the rationale for the modalities adopted.
Rec. 19	Receipt of the procedures developed to ensure that service contracts do not include a clause requiring advance payments and details of the modalities of how extensions of service contracts will be evaluated prior to renewal..
Rec. 20	Receipt of a copy of the contract with the selected travel agent(s) and a copy of the procedures outlining who has responsibility for monitoring performance of the contract and how performance will be monitored..
Rec. 21	Confirmation that all obsolete assets have been identified and submitted to LPSB.
Rec. 22	Receipt of a copy of the policy on disposal of assets including treatment of income generated.
Rec. 23	Confirmation of the introduction of room inventories.
Rec. 24	Receipt of a copy of the stocktaking procedures to which include guidance on what is required of staff undertaking the physical inventory and what reporting is required at the end of the exercise to assess movements of assets.
Rec. 25	Receipt of a copy of the results of the IT review, especially with respect to policies on use of e-mail.
Rec. 26	Notification of the outcome of discussions with ICAO on their responsibilities as the lead agency for security in Montreal.
Rec. 27	Notification that SCBD is MOSS compliant.
Rec. 28	Receipt of confirmation that individual identification cards have been issued.
Rec. 29	Copy of the guidelines for the minimum security requirements for conferences and meetings.

V. ACKNOWLEDGEMENT

92. I wish to express my appreciation for the assistance and cooperation extended to the audit team by management and staff of SCBD.

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