## BOARD OF AUDITORS NEW YORK

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Opening Statement on the Report of the Board of Auditors on the financial statements of the United Nations Framework Convention on Climate Change (FCCC/SBI/2017/INF.15) to the Contact group on Administrative, Financial and Institutional Matters of the Subsidiary Body for Implementation (SBI)

[8 November 2017]

Mr Chairman,

Distinguished Delegates,

As Lead auditor and on behalf of the Chair of the Board of Auditors Mr. Rajiv Mehrishi, Comptroller and Auditor General of India, and the Board member Professor Mussa Assad, Controller and Auditor General of Tanzania, I have the honour to introduce the main findings from the report of the Board of Auditors on the financial statements of the United Nations Framework Convention on Climate Change (UNFCCC) for the period ended 31 December 2016.

The German Federal Court of Auditors feels honored to contribute to the objectives of this esteemed organization.

## Ladies and Gentlemen

This is the first time ever that a member or a representative of the Board of Auditors is presenting the report to an organ of UNFCCC, which is here the Subsidiary Body for Implementation. Let me take the opportunity to thank you and t

Weaknesses in recognizing accruals and multi-year voluntary contribution

In the field of finance, the Board noted that the UNFCCC International Public Sector Accounting Standards Policy Framework on recognition of multi-year voluntary contribution was not in line with the IPSAS Framework.

Based on its findings, the Board has made a number of recommendations aiming at redressing the weaknesses identified and improving governance and financial management of the Organization.

Let me now turn to our relevant findings in the area of personnel management.

## Staff payments on separation

In the last two years, two departments of UNFCCC went through a restructuring. As a result, 66 posts were abolished. In this situation, the Board found grants paid out, though within a scope of discretion, but outside the purpose of the staff rules:

For staff members whose posts are abolished for operational reasons, the applicable notice period in accordance with the Staff Rules and Regulations is a minimum of 30 calendar days for fixed-term appointments. We noted that UNFCCC determined a 90-day notice period to the affected staff which exceeded multiple times the minimum notice period.

The staff members affected were placed on special leave with full pay during the notice period. This arrangement of UNFCCC led to an amount of the compensation payments threefold the payments of the regular notice period as laid down in the Staff Rules and Regulations.

In addition, separation payments due to restructuring reasons were granted beyond our interpretation of the staff rules. At the beginning of the restructuring process, UNFCCC developed a guideline for the implementation of the new structure. The guideline included

Cross-cutting themes

We also reviewed the cross-

ntation of the

Sustainable Development Goals

We found that UNFCCC did not formally designate a focal point on disability and accessibility issues.

On Sustainable Development Goals, the UNFCCC secretariat stated it was developing a strategy for the implementation of the Paris Agreement, which was directly linked to the Sustainable Development Goals, in particular to number 13, Climate Action.

Ladies and gentlemen. Our work as auditors is to give advice.

We are here to help improve work. On a broader scale, our mission is to support your mission. Hence, I wish the COP 23 all the success.

Mr. Chairman and Distinguished Delegates, this concludes my statement. My staff members and I will be happy to respond to the questions you may have.

Kay Scheller
President of the German Federal Court of Auditors
(Lead Auditor)