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INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTRÔLE INTERNE
INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE

TO: Mr. Abdoulie Janneh, Executive Secretary
A: Economic Commission for Africa (ECA)

DATE: 29 August 2011

REFERENCE: IAD: 11- 00543

FROM: Fatoumata Ndiaye, Director
DE: Internal Audit Division, OIOS



SUBJECT: **Assignment No. AN2011/710/01 – Audit of selected conferences in ECA**

OBJET:

Overall results relating to oversight, coordinated management and consultation were partially satisfactory

1. Attached please find the report on the above-mentioned audit.
2. In order for us to close the recommendations, we request that you provide us with information as discussed in the text of the report and also summarized in Annex 1.
3. Please note that under General Assembly resolution 59/272, a Member State may request that the final audit report be made available. Also, note that pursuant to General Assembly resolution 64/263, OIOS will include the complete management response as an annex to the present report.
4. Please note that OIOS will report on the progress made to implement its recommendations, in its annual report to the General Assembly and in its semi-annual report to the Secretary-General.

cc: Ms. Doreen Bongoy-Mawalla, Director, Division of Administration, ECA
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Mr. Rohan Wijeratne, Board of Auditors
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit
Mr. Moses Bamuwamye, Executive Secretary, IAAC
Mr. Zachary Ikiara, Chief Oversight Support Unit, DM
Mr. Byung-Kun Min, Special Assistant to the USG-OIOS
Ms. Amy Wong, Programme Officer, Internal Audit Division, OIOS

AUDIT REPORT

Audit of selected conferences in ECA

BACKGROUND

The Economic Commission for Africa’s (ECA) Conference Centre is the largest conference facility in Addis Ababa. Because of the presence of the African Union (AU) in Addis Ababa, the Conference Centre is a popular venue, as is evident from the large number of conferences (see Table 1).

Table 1: Conferences held in ECA

Year	No. of Conferences	No. of participants
2008	25	9,196
2009	39	11,548
2010	29	13,187

The Office of Internal Oversight Services (OIOS) identified three conferences: (a) the African Development Forum (ADF VII), 2010; (b) The African Economic Conference (AEC), 2009; and (c) Science with Africa II, 2010 as high risk areas based on its risk assessment of ECA in 2010. These conferences were selected on the basis of their significant reliance on voluntary funding.

Estimated budget for the three conferences totaled \$4.86 million. The ADF VII conference, with \$3.4 million budget, aimed at providing a multi-stakeholder platform to discuss and build consensus on how Africa can and should best cope with climate change through effective action on policies, strategies, programmes and practices. With an estimated budget of \$90,000, the objective of the AEC conference was to promote knowledge sharing, foster dialogue and encourage research in the area of economic development of Africa. The Science with Africa II had a budget of \$370,000. It aimed at exploring policies, measures and mechanisms for promoting innovation and entrepreneurship to meet development challenges in Africa.

A Conference Steering Committee assigned responsibilities in the action plans for each conference. Concerned substantive divisions provided technical inputs in drafting the concept paper, defining conference themes and coordinating with key partners. The Division of Administration was responsible for making logistics arrangements for the conferences.

OBJECTIVE AND SCOPE

The objective of the audit was to assess whether ECA effectively implemented adequate risk management, control and governance processes to provide reasonable assurance that the three conferences efficiently achieved their objectives. The key controls tested for the audit included those related to: (a) oversight mechanisms; (b) coordinated management; and (c) consultation mechanisms. The audit covered the above-mentioned three conferences.

AUDIT RESULTS

In OIOS’ opinion, ECA’s risk management, control and governance processes pertaining to the three conferences were **partially satisfactory** to provide reasonable assurance that the conferences achieved their objectives with efficiency.

Although ECA had established adequate conference oversight mechanisms, these mechanisms were not operating effectively. Conference cost plans were not inclusive of all funding sources and were

not sufficiently justified. There were also significant delays in issuing reports for the Africa Development Forum and Science with Africa II conferences. Coordinated management mechanisms with the substantive and support divisions, donors and key conference stakeholders were operating effectively.

No clear linkage of the Science with Africa II conference to the related sub-programme's objective

ECA's programme budget for the biennium 2010–2011 indicates outputs for each sub-programme and these outputs are then elaborated in the programme implementation plan (PIP). However, organizing the Science with Africa II conference was not mentioned in the programme budget or the PIP for ECA's sub-programme 4: Information and science and technology for development.

1. ECA should formulate its programme activities and outcomes establishing clear linkage of conferences to the overall objective of sub-programmes under which they are organized.

ECA did not accept recommendation 1 stating that all ECA conferences result from clear mandates and are firmly linked to the subprogramme's expected accomplishments, objectives, as well as lower order results and activities. However, no such linkage was evident in the programme budget or the PIP for ECA's sub-programme 4: Information and science and technology for development which organized the Science with Africa II conference. Recommendation 1 remains open pending receipt of a process that establishes a clear linkage of conferences to the overall objective of the related sub-programmes.

Preparation of comprehensive cost plans strengthens accountability

The cost plans of the three conferences did not comprehensively identify resources from different funding sources. Overall, there were 11 extra-budgetary projects funding the three conferences. Total expenditure on the conferences amounted to approximately \$4.86 million. Ad-hoc arrangements of funds without a comprehensive cost plan may prevent accountability and transparency.

2. ECA should prepare comprehensive cost plans identifying all funding sources supporting the conferences to ensure accountability and enable the Partnership and Technical Cooperation Section to allot and monitor funds used from extra-budgetary resources.

ECA accepted recommendation 2 stating that a memorandum will be sent to all programme managers requiring them to prepare comprehensive conference cost plans. Recommendation 2 remains open pending receipt of the copy of the memorandum sent to the programme managers.

Reports on the African Development Forum and the Science with Africa II conferences are pending

Final reports for the Science with Africa II conference and ADF VII conference were still in draft in March 2010 even though the former was held in June 2010 and the latter in October 2010. The outcomes of all three conferences were not presented to the relevant intergovernmental bodies of the substantive divisions concerned such as the Conference of Ministers of Finance for endorsement and programme direction.

3. ECA should issue reports on the African Development Forum and the Science with Africa II conferences without further delay ensuring that the reports: (a) include clear recommendations and action points emerging from the discussions held during the conferences; and (b) are presented to the intergovernmental bodies of the substantive divisions concerned for their endorsement and programme direction.

ECA accepted recommendation 3 stating that the report of the Science with Africa II conference was finalized with recommendations and action points. Recommendation 3 remains open pending submission of evidence that the African Development Forum VII conference report has been finalized and both the African Development Forum VII and Science with Africa II conference reports have been presented to their intergovernmental committees for endorsement.

A standard conference communication strategy increases visibility and impact

ADF VII conference had formulated a communication strategy with an indicative budget of \$802,000. It issued six press releases and was covered in four different television channels and in numerous newspapers and web based news sites. On the other hand, communication strategies for the AEC and the Science with Africa II conferences were sketchy and did not identify the funding sources. These conferences had issued only one press release each and they were covered only in two to three television channels. Establishing a standard conference strategy helps mitigate the risk of poor publicity of conferences.

- 4. ECA should establish a standard conference communication strategy to ensure greater publicity and increase the impact of conferences in Africa's economic and social development.**

ECA accepted recommendation 4 stating that the Information and Communication Service will take the lead in formulating standard conference communication strategy. Recommendation 4 remains open pending receipt of a communication strategy document.

Weak consultation with donors and key stakeholders for the Science with Africa II conference

The African Union Commission and the African Development Bank are ECA's traditional partners and are regularly involved in the organization of ADF VII and AEC conferences. However, the consultation process with partners for the Science with Africa II conference was weak as none of the partners participated in finalizing its thematic papers or in preparing its final report. Consequently, the partner's input and support in the conference outcomes was inadequate.

- 5. ECA should consult all conference partners to help secure their input and support in the conference outcomes.**

ECA accepted recommendation 5 stating that the Information and Science and Technology Division has been in discussion and consultation with the Science with Africa II conference partners to implement the recommendations of the conference. Recommendation 5 remains open pending submission of evidence that a systematic approach for consultation with conference partners has been adopted to ensure a formal entry and exit meeting for each conference.

ACKNOWLEDGEMENT

OIOS wishes to express its appreciation to the Management and staff of ECA for the assistance and cooperation extended to the auditors during this assignment.