

20 May 2015

Dear Mr Richards,

We, the undersigned, were elected and entrusted by the Staff General Assembly with the task of auditing the accounts of the Staff Coordinating Council and reporting to the Assembly on its findings.

We examined the Staff Coordinating Council financial records covering the mandated period from 01 December 2013 through 30 November 2014.

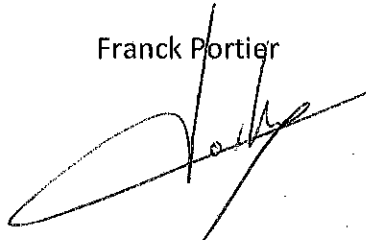
On the basis of the financial documentation received on 31 January 2015, please find attached a narrative report related to the accounts that our team examined.

The Auditors

Ivana Milicevic



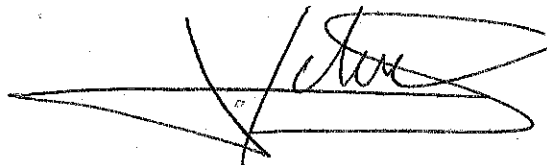
Franck Portier



Philip Thomas



Jérôme Vabres



Mr. Ian Richards

Executive Secretary

UNOG Coordinating Council, Office C. 513

United Nations Office at Geneva

Audit Report of UNOG Staff Coordinating Council for the year 2014 (Dec.2013 – Nov.2014)

A. Background and scope of the Audit

1. The Audit team received on 31 January 2015 the financial records of the Staff Coordination Council (SCC) of the United Nations Office at Geneva (UNOG) for the period of December 2013 through November 2014. The accounts have been verified during the period 24 February through 30 April 2015. The Staff Coordinating Council mandated the auditors to audit the accounts produced by the SCC office bearers for the period starting from 01 December 2013 through 30 November 2014.
2. The scope of the audit and the role of the auditors are defined in paragraph 2 and 3 of article 4 in chapter IV of the SCC Regulations of UNOG, which states as below :

2. The Auditors shall organize their work independently and shall adopt their rules of procedure in accordance with the relevant provisions of these regulations;

3. The Auditors shall audit the accounts in accordance with the Provisions of the Financial regulations annexed to the Regulations and shall prepare an auditors' report. The auditors' report shall be signed by all the auditors in office.

Moreover, paragraph 3 of Article 13 of Annex II of the same Regulations stipulates the following:

3. The auditors' report may include any suggestion for improving the management of the Council's finances.

- ~~3. The Auditors were provided with the 2014 financial statements and prior audit reports by the office bearers of SCC. The Audit team examined and verified the status of implementation of the prior audit reports and the financial records for the period from 01 December 2013 through 30 November 2014. Additional evidence and clarifications were provided by the office bearers of SCC upon request from the audit team.~~

B. Audited accounts

1. Staff Coordinating Council's financial resources are maintained through the following two main operating accounts:
 - i) UBS SA bank account, 279-CA105907.0 (annex 1): This account is used for all transactions approved by the Coordinating Council and its Executive Bureau and for investment related activities namely shares that shows an increase of CHF 73,632.99 between opening and closing balances.
 - ii) Swiss Post Finance account, 17-297976-4, used exclusively to receive income from classified ads and the staff contributions to SCC that shows

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an increase of CHF 9,108.90 between opening and closing balances. No disbursements were made except for bank charges (for payments made through PTT counter).

C. Findings

The accounts and records related to the period from December 2013 through November 2014 were complete and kept in order. The audit team, as it was in the last year, SCC is using the accounting software for the transparency of the accounting and its reports.

For income and expenditure accounts, there were total opening cash balances and closing cash balances as per the table below. There was total revenue of CHF 477,156.43 and expenditures of CHF 367,433.88. Consequently the exercise shows a surplus of CHF 109,722.55 for the reporting period.

Current Assets	Opening Balance (CHF)	Closing Balance (CHF)
<u>Cash</u>		
Post Finance	57,661.56	66,770.46
UBS Current account	75,105.27	148,738.26
UBS Relief account	15,276.80	754.30
UBS Crèche account	400,000.00	1,336,868.75
UBS Staff Gala account	49,911.10	9,908.80
UBS Children's activities account	38,000.00	28,947.00
UBS Legal assistance account	165,000.00	113,306.25
Sub Total	668,187.90	1,489,785.10
<u>Investments</u>		
Placements – shares	483,560.00	0.00
Placements – shares	267,564.00	0.00
<u>Transitional Assets</u>		
Accounts receivable	473,036.45	425,240.00
Total	2,025,115.18	2,130,533.82

The closing cash balance as of 30 November 2014 was CHF 1,705,293.82. Investment activities (shares) have been discontinued as of 31 December 2013 with the sales of two shares. One share was sold with loss of CHF 1,947.35 and the second one was sold with a gain of CHF 10,946.25. The sold shares' amounts are credited in the UBS current account and subsequently transferred to the UBS Crèche account. The value of total assets was 2,130,533.82.

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On UBS bank accounts

Book keeping was done according to general accounting standards. Questions and queries were asked and subsequently clarified with SCC office bearers.

On the Post Finance Account

Based on previous years' audit recommendation an effort has been made by the SCC in order to provide sufficient information to identify the incoming funds. The transactions verified by the auditors were clear and sufficient details were provided.

D. Recommendations

Audit teams had made recommendations based on their examinations of SCC's accounts. Audit team understands that several of the past recommendations were accepted and implemented accordingly. The audit team recommends respecting the UN accounting standards (IPSAS), where ever it is possible to do so.

Recommendations based on the Audit of 2014 accounts:

1. Recommendation 2014/1: The financial report shows an opening balance of funds receivable of CHF 22,000.00 referring to an exercise of loans remitted to individuals in the year of 2008. It has been noted an amount of CHF 9,296.45 was written off and continuous efforts are being made to recover the balance amount and strongly encourage the council in pursuits to recover those amounts or the committee should decide to write off the above amount;
2. Recommendation 2014/2: It has been noted that an amount of CHF 20,000.00 was paid by cash to pay a music store on 31st December 2013. This payment has violated the contract that was signed with the client to be paid by EFT. It is strongly recommended to respect the contractual conditions for the mode of payments and the council should avoid such kind of practices.
3. Recommendation 2014/3: In the postal account a total amount of CHF 800.90 was levied as bank charges (cash payment at the counter), which is eight percent (8%) of the total income in this financial period in this particular account. The council should advise the contributing members to effect EFT payment and to avoid cash counter payments to reduce the bank charges.

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