

Interim Audit Report

U.N. Special

1 October 2010 – 30 September 2011

1. In November 2011 the team of auditors of the UN Staff Coordinating Council was mandated to audit and report on the accounts produced by the UN Special for the period October 2010 to September 2011.
2. This was the first time such an audit was carried out and for this reason the auditors could only review the accounts based on the status of the bank accounts for the above specified period, the financial statements provided by UN Special's treasurer and the Report of the Inter-Agency Committee (IAC) meeting of December 2010.
3. In light of the documentation received, it was not possible to clarify all the issues, and as a result, the auditors prepared an interim report containing requests for clarification. On the basis of the clarification to be received, the audit team will prepare a final report.

General

4. The UN Special's financial resources are maintained through a UBS bank account (CA 102832).
5. An investment account has been opened in August 2011 (HU103565).
6. The balance sheet shows that in the previous financial period 2,978 Swiss Francs of equipment (camera) has been purchased. However no statement of assets has been provided.

Findings and questions

7. The auditors made the following observations related to disbursements made through UBS bank account (CA 102832):
 - a) An amount of 3,337 Swiss Francs was credited three times (on 25 October, 24 November and 24 December 2010) into the UBS account by Mr. Flores.

It should be clarified if this amount is the same that is denominated "Cash" in the Balance Sheet 2010/2011; if this is the case there is no evidence of the source of this income.

Please provide additional information pertaining to the exact purpose of these transactions and origin of these funds should be provided.
 - b) The bank statements and the UN Special financial statements show that in September 2011, 20,000 Swiss Francs were transferred to an investment account with UBS but the auditors did not receive any specific information on the purpose of the transfer or on the type and duration of this investment.

Please provide a detailed explanation for the above and a copy of the statement of the UBS investment account.

- c) Reimbursements for a total amount of 5,500 Swiss Francs have covered the costs of two persons travelling to Thailand to prepare a report for the magazine. Even if the costs of the mission travel was planned and authorized by the IAC, it is not clear on which basis the reimbursements were calculated. The same goes for the reimbursement covering the costs of CHF 144.60 for the interview to Ms. Rossey.

Please provide the rules and regulations that have been used for these types of incurred expenditures, if any.

- d) UN Special has used the services of an Assistant to the Editor in Chief, Ms. Borissof, however, in the papers submitted for audit purposes show no evidence of the contractual relationship between the two parties.

Please specify under which type of contract Ms Borissof was appointed and please provide the relevant evidence for this contractual arrangement.

- e) The amount originally authorized by the IAC to pay Ms Borissof was 24,000 Swiss Francs, whereas she received 25,000 Swiss Francs.

Please specify whether such expenditure increase has been approved by the Inter-Agency Committee.

- f) UN Special has requested French editing services for an amount of 1,200 Swiss Francs.

Please specify under which type of contract Ms. Terraz, French Editor, was appointed and please provide the relevant evidence for this contractual arrangement.

- g) Mr. Svirchevskyy has received 2,400 Swiss Francs to update the website of UNS.

Please specify under which kind of contract he was appointed and please provide the relevant evidence.

- h) The UN Special has mandated Ms. Markham to redesign its website.

Please specify under which type of contract he was appointed and please provide the relevant evidence.

- i) The expenditures for maintenance/development of the website exceed of 1,500 Swiss Francs which is the amount approved by the IAC at the beginning of the budget/financial cycle.

Please specify whether such expenditure increase has been approved by the Inter-Agency Committee.

- j) UN Special has used the services of "SurveyMonkey" and the actual contract with this company will expire in February 2012.

Please specify whether such expenditure has been approved by the Inter-Agency Committee.

8. General observation:

- k) The balance sheet provided by UN Special shows that in the previous budget/financial period 2'978 Swiss Francs of equipment (camera) has been purchased. However no statement of assets has been provided to the audit team.

Please provide a detailed list of assets and specify where they are physically stored in order for the audit team to ascertain good safe-guarding practices of assets.

- l) Article 4.01 of the contract between the Publisher "Bercher S.A." and the UN Staff Coordinating Council (the last amended version extends the contract for a total of 5 years until 31 August 2013.) establishes that the amount to be paid by the Publisher to UN Special be reassessed and recalculated at the beginning of each fiscal year in order to adjust the amount to be paid to the overall cost of living standards. If the contract is not to be canceled or modified six months prior to the expiration date, the contract with "Bercher S.A." will automatically be renewed on an annual basis.

Please ensure that UN Special or the UNSCC take action to ensure that the amount received by the Publisher is in line with the cost of living standards and please provide the relevant information in this regard.

Mario Rosendo Gonzalez
C. S. D.

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