

Management Response

Audit of the management of the Transport International Routier Trust Fund at the Economic Commission for Europe

| Rec. no. | Recommendation | Critical ¹ / Important ² | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|----------|---|---|-----------------------|---------------------------------------|------------------------|--|
| 1 | ECE should propose to the Administrative Committee the possible options of mechanisms to monitor and evaluate the documentation submitted by the authorized international organization in order to strengthen governance in the TIR Convention, particularly with regard to accountability. | Important | Yes | TIR Secretary | 06/02/2020 | ECE will propose different possible options of mechanisms to monitor and evaluate the documentation (list of documentation to be decided) submitted by the authorized international organization, for consideration, approval and implementation by the Administrative Committee (AC.2). |
| 2 | ECE should prepare updated terms of reference for TIR focal points for consideration and approval by the Administrative Committee in order to ensure consistency and enhance the focal points' effectiveness. | Important | Yes | TIR Secretary | 06/02/2020 | ECE will review and update the terms of reference for customs TIR focal points, for consideration and approval by AC.2. |
| 3 | ECE should bring to the attention of the Administrative Committee the need to develop appropriate procedures concerning: (a) evaluation of qualified organizations before selection of the authorized international organization for TIR operations; and (b) periodic assessment of the authorized international organization's compliance with the stipulated conditions and requirements. | Important | Yes | TIR Secretary | 15/10/2021 | ECE will bring to the attention of AC.2 the requests from OIOS to develop appropriate procedures for (a) and (b). |
| 4 | ECE should amend its agreement with the external partner to include the additional | Important | Yes | TIR Secretary | 17/10/2019 | ECE has already incorporated this recommendation into the drafting of |

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

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| | requirements introduced by the Convention in July 2018. | | | | | the new agreement for the years 2020-2022 |
| 5 | ECE should revise its internal directive on the management of extrabudgetary resources to ensure that essential review and approval of projects relating to Conventions is performed by the respective governing bodies, such as the Administrative Committee in the case of the TIR Convention. | Important | Yes | Chief, Programme Management Unit (PMU) | 31/12/2019 | ECE will inform EXCOM of the OIOS recommendation, and provide guidance for EXCOM decision on the approval of XB resources. The subsequent decision of EXCOM will be reflected in a revised internal Directive No 18, on the Establishment of Agreements and Management of Extrabudgetary Resources. |
| 6 | ECE should seek the advice of the Ethics Office on the apparent conflict of interest arising from its arrangement with the external partner on the eTIR project, including the receipt of funds from the external partner to whom ECE has become accountable under the contribution agreement despite having the responsibility to assist the Executive Board in overseeing the external partner's operations and assessing its compliance with the TIR Convention. | Important | Yes | TIR Secretary | by the end of 2019 | ECE accepts the recommendation and will contact the Ethics Office after submission of auditor's report to the Administrative Committee (AC.2) |
| 7 | ECE should bring to the attention of the Administrative Committee the need to: (a) study the reasons for the decline in sale of Carnets over the years and develop an action plan to address the underlying causes; and (b) develop an appropriate alternative financing arrangement to ensure the sustainability of TIR operations. | Important | Yes | TIR Secretary | 06/02/2020 | ECE will invite the Administrative Committee to consider the recommendation of OIOS to (i) study the reasons for the decline in sale of Carnets over the years and develop, if required and in as far as possible, an action plan to address the underlying causes; and (ii) explore appropriate alternative financing arrangements, if |

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| | | | | | | any, for TIRExB and the TIR secretariat. |
| 8 | ECE should, in consultation with the Administrative Committee, devise a mechanism to settle the excess advance received from the external partner. | Important | Yes | TIR Secretary | 17/10/2019 | ECE has already started working on a new adjustment mechanism for the ECE-IRU Agreement for 2020-2022 and will submit it to AC.2 for consideration. |
| 9 | ECE should take appropriate measures to refine the budgets and cost plans for the TIR Executive Board and the TIR secretariat by considering the potential impact of known factors such as staff vacancy rates. | Important | Yes | TIR Secretary | 17/10/2019 | Considering that the 2019 budget has already been approved by AC.2, ECE will take appropriate measures to refine the budgets and cost plans for the TIR Executive Board and the TIR secretariat as of the 2020 budget. |
| 10 | ECE should develop an action plan for providing the required training and support to countries that have acceded to the TIR Convention to operationalize the TIR procedures in those countries. | Important | Yes | TIR Secretary | 06/02/2020 | ECE will prepare an action plan for TIRExB to provide the required training and support to countries that have acceded to the TIR Convention to operationalize the TIR procedure in those countries and present it to AC.2 for its consideration and approval. |