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Economic Commission for Europe

Administrative Committee for the TIR Convention, 1975

Seventy-first session

Geneva, 16-17 October 2019

Item 8 (b) of the provisional agenda

Other business:

Audit of the accounts of the

TIR Executive Board and the TIR secretariat

Administrative Committee for the TIR Convention, 1975

TIR Executive Board (TIRExB)

Eighty-third session

Geneva, 14 October 2019

Agenda item IV

Audit report on the management of the TIR Trust Fund

issued by the United Nations Office of Internal Oversight Services

Recommendation 1 on the monitoring and evaluation of the documentation submitted by the international organization

Note by the Secretariat

I. Background and mandate

1. At its eighty-second session in June 2019, TIR Executive Board (TIRExB) considered the recommendations in the audit report related to the audit of the TIR Trust Fund by the United Nations Office of Internal Oversight Services (OIOS) presented in Informal document No. 4 (2019). With regard to the Recommendation No. 1 on the monitoring and evaluation of the documentation submitted by the international organization, the Board noted that the secretariat would submit possible options of mechanisms to monitor and evaluate the documentation submitted by the international organization to the Administrative Committee (AC.2) for consideration.

2. The Board questioned the content of the documents submitted by the international organization to fulfil the requirements under Annex 9, Part III of the TIR Convention. The secretariat suggested drafting a document to the Board for its next session, taking into account the existing list of documentation and the procedure set in document ECE/TRANS/WP.30/AC.2/2015/12. The document would elaborate on the documentation to be submitted, and when and how it would be examined. The Board decided that the informal document to be drafted by the secretariat would be submitted both to TIRExB and AC.2 at October sessions.

3. The Board highlighted the importance of the language regime of the documentation, especially in connection with the examination thereof, and requested the secretariat to cover also this aspect in the draft document. The Board, while acknowledging the importance of a harmony in the language regime and availability of the documentation in three official languages of United Nations Economic Commission for Europe (ECE), noted that making such a request with regard to all the documents to be submitted by the international organization might be cumbersome and unnecessary. The Board added that, instead of the documentation, the results of the expert examination could be provided in three official languages. The Board decided assessing the language issue together with the list of documentation.

4. The Board agreed that the document drafted by the secretariat would not include only the titles of the documentation but give a summary of the content of each document. The Board concluded that this list would not be an exhaustive one, thus the number of documents could be increased or reduced according to results of the discussions and the expert view. The Board recalled that the confidentiality of the documentation and the access procedure also made it difficult for the contracting parties to have an examination of the documentation in the past and requested the secretariat to take into account this aspect, for the sake of transparency, in suggesting new mechanisms for the examination of the documentation.

5. The Board concluded that the monitoring and examination of the documentation submitted by the international organization was an important matter and a more effective mechanism needed to be established reflecting on what, when and how questions. The Board highlighted the importance of revisiting the list of documents provided by the international organization and checking whether the list was satisfactory, or a revision would be necessary. The Board requested the secretariat to provide a document that would include the list of documents for a review and the possible mechanism of monitoring and examination of documentation. The Board was also of the view that the examination could be better fulfilled by an expert. The Board, while acknowledging that the issue needed to be considered and decided by AC.2, decided providing input to assist it (TIRExB/REP/2019/82draft, para. 11-16).

6. The Board, in order to support the secretariat by an expert for identifying the content of the documentation to be submitted and how to move forward on this issue, decided including this task, when possible, in the work plan of consultants to be hired for drafting the new agreement with the international organization (TIRExB/REP/2019/82draft, para. 37).

7. The secretariat submits in Annex I the suggestions by the consultants on the monitoring and evaluation of the documentation and in Annex II the reviewed list of documentation to be submitted in track changes on document ECE/TRANS/WP.30/AC.2/2015/12. This document is submitted both to AC.2 and TIRExB following the request of the latter at its June 2019 session.

Annex I

Suggestions by the consultants on the monitoring and evaluation of the documentation

Background

The list of documents required to be submitted by IRU is listed in Annex 9, Part III of the TIR Convention. The documents listed in Annex 9 are collected according to the procedure decided by the Administrative Committee in document ECE/TRANS/WP.30/AC.2/2015/12.

Recommendations

- Recommendations on the list of documentation made on document 2015/12 (see Annex II). However, it should be noted that assessing some documentation (e.g. situation of irregularities) require expertise in TIR system.
- The documents should be provided to UNECE in the first instance, in English where possible.
- All dates in document 2015/12 to be updated. Regarding documents to be submitted according to Annex 9, Part III, Article 1, paras. (a) and (b) of the Convention, the relevance of these documents to the authorization of the international organization should be noted, hence to be submitted at least before each authorization period as a package.
- The Administrative Committee should be allowed full access to any documents submitted to the TIR Secretariat, otherwise IRU to justify the reason, per document.
- UNECE should issue a report to the Administrative Committee. Since the TIR secretariat may not possess the skills or knowledge to monitor and evaluate this type of documentation, sufficient funding should be made available to hire consultants. The consultants should prepare thereporting, under the guidance of the TIR secretariat.
- The reports should include commentary/evaluation of each piece of documentation provided, and whether additional documentation/clarification might be requested.
- The reports should be prepared once during every authorization period. We therefore recommend that a report is prepared for the authorization period 2020-2022. This report should be prepared in sufficient time to also form part of the selection process for the next authorization period (2023-2025).

Annex II

Reviewed list of documentation to be submitted by the international organization

	<i>Date of submission</i>	<i>Available for Contracting Parties</i>	<i>Next submission</i>
Annex 9, Part III, Article 1 (a) : proof of sound professional competence and financial standing for ... by means of annual submissions of consolidated financial statements duly audited by internationally organized independent auditors			
2013 accounts of IRU, approved by its General Assembly and duly audited by its external auditor	October	As hard copy with the secretariat	
Annex 9, Part III, Article 1 (b): Absence of serious or repeated offences against customs of tax legislation			
Letter dated 6 October 2014 of Swiss Customs stating the absence of offences against the customs legislation	November	As hard copy with the secretariat	
Letter dated 15 January 2010 from the Swiss "Administration fiscale cantonale", granting IRU tax exemption until 2020 (indirect proof, such a status can only be obtained if there are no repeated offences against tax legislation).	August	As hard copy with the secretariat	
Certificate dated 23 March 2010 from the Swiss customs granting IRU the status of authorized consignor until 22 March 2015 (indirect proof, such a status can only be obtained if there are no repeated offences against customs legislation).	August	As hard copy with the secretariat	
Annex 9, Part III, Article 2 (a) : provide the Contracting Parties of the TIR Convention via the national associations affiliated to the international organization with certified copies of the global guarantee contract and proof of guarantee coverage			
At the secretariat are available (submitted by the Contracting Parties):	January	As hard copy with the secretariat	
<ul style="list-style-type: none"> Copies of the written agreements or any other legal document between the competent authorities (Customs) and the national guaranteeing association as well as any modifications thereto (conform Annex 9, Part I, para. 1 (d)); Copies of the insurance or financial guarantee contracts as well as any modifications thereto (conform Annex 9, Part I, para. 3 (v)); Copies (renewed annually) of the insurance certificate (Annex 9, Part I, para. 3 (v)). 			
Annex 9, Part III, Article 2 (b): provide the competent bodies of the TIR Convention with information on the rules and procedures set out for the issue of TIR Carnets by national associations			

Commented [A1]: All dates to be updated.

Commented [A2]: Consideration could be given to requesting from the international organization an extract from the Geneva "Office des Poursuites" to confirm there are no issues with unpaid creditors.

Commented [A3]: On an annual basis, the international organization(s) will submit audited financial statements. To obtain additional information, the provisions of Annex 8 of the Convention might be invoked.

Commented [A4]: To our knowledge, the tax authorities in Switzerland do not issue letters confirming the absence of serious or repeated offences against tax legislation. As the IRU is a not-for-profit organization, they provided indirect proof in the past (by sending confirmation of their tax-exempt status). Normally any issue with tax non-compliance would be identified in the annual statutory audit but if desired, additional documentation requests for international organization(s) could include requesting:

- Statement that corporate taxes have been paid.
- Value Added Tax audit reports (if any).
- Social Security audit reports (if any).

	<i>Date of submission</i>	<i>Available for Contracting Parties</i>	<i>Next submission</i>
Associations TIR Manual	August	As hard copy with the secretariat	When modified
TIR Carnet holder's Manual	August	As hard copy with the secretariat	When modified
Deed of engagement of the issuing and guaranteeing association of ordinary TIR Carnets	August	As hard copy with the secretariat	When modified
Deed of engagement of the IRU towards issuing and guaranteeing associations	August	As hard copy with the secretariat	When modified
Declaration of Engagement by the transport company for admission to the TIR customs system and authorization to use TIR Carnets	August	As hard copy with the secretariat	When modified
Chamber of Commerce Commercial Register extract (http://ge.ch/hrcintapp/externalCompanyReport.action?companyOfsUid=CH E-107.740.736&lang=FR)	Not applicable	internet	Not applicable
IRU constitution, dated 6 November 2009	August	As hard copy with the secretariat	When modified
Annex 9, Part III, Article 2 (c) provide the competent bodies of the TIR Convention, on a yearly basis, with data on claims lodged, pending, paid or settled without payment			
Situation of irregularities (See Informal document WP.30 (2014), No. 10)	June	As WP.30 document	June
Annex 9, Part III, Article 2 (d): the competent bodies of the TIR Convention with full and complete information on the functioning of the TIR system, in particular, but not limited to, timely and well founded information on trends in the number of non-terminated TIR operations, claims lodged, pending, paid or settled without payment that might give rise to concerns with regard to the proper functioning of the TIR system or that could lead to difficulties for the continued operation of its international guarantee system			
Safe TIR statistics (See Informal document WP.30 (2015), No. 5)	January	UNECE website	January
Situation of irregularities (See Informal document WP.30 (2015), No. 2)	January	UNECE website	January

Commented [A1]: All dates to be updated.

	<i>Date of submission</i>	<i>Available for Contracting Parties</i>	<i>Next submission</i>
Power presentation on the organization and functioning of the TIR guarantee chain. (www.unece.org/fileadmin/DAM/trans/bcf/wp30/documents/iru-presentation-e.pdf)	October	UNECE website	Next WP.30
Insurance contract IRU AXA, dated 18 November 2010 (See restricted TIREXB Informal document No. 2 (2011))	December	Hard copy at the TIR secretariat	When modified
Statement from AXA on insurance structure and the reinsurance contracts, dated 14 August 2014	August	Hard copy at the TIR secretariat	When modified
Annex 9, Part III, Article 2 (e) : provide the competent bodies of the TIR Convention with statistical data on the number of TIR Carnets distributed to each Contracting Party, broken down by type			
Statistical data on the number of TIR Carnets distributed to each Contracting Party, broken down by type (See Informal document Informal document WP.30/AC.2 (2015), No. 4)	January	UNECE website	January

Commented [A1]: All dates to be updated.