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Economic Commission for Europe

Inland Transport Committee

Working Party on Customs Questions affecting Transport

146th session

Geneva, 13-16 June 2017

Item 3 (c) (v) of the provisional agenda

Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975):

Application of the Convention: Other matters

Independent external audit of the International Road Transport Union

Transmitted by the International Road Transport Union* **

I. Background and mandate

1. At its previous session, the Working Party took note of the executive summary of the “Review of governance and compliance areas and fact finding investigation” of the International Road Transport Union (IRU), conducted by Ernst&Young (EY), which the secretariat had made available to Governments as confidential copy through their respective permanent missions in Geneva. Various delegations requested IRU to provide a full copy of the report. In reply to various questions from the delegation of the Russian Federation on financial links and services and, in particular, on paragraph 25 of the executive summary, the representative of IRU stated not to be in a position to answer, but that the questions would be transferred to the competent services of IRU and the auditors for reply. IRU also informed the Working Party that it was looking into the matter and that, as soon as its legal services had agreed on a correct formal procedure, a copy of the report could be consulted by interested parties, while ensuring the required level of confidentiality (see ECE/TRANS/WP.30/290, para. 30).

2. Further to these requests, IRU transmits, in Annex I, answers to various questions posed and, in Annex II, a procedure to obtain access to the full external audit report.

* The document was submitted late due to delayed inputs from other sources.

** The present document contains the text submitted to the secretariat, reproduced without any changes.



Annex I

1. Reference is made to questions raised by the Russian Federation representative during the meetings of the Working Party on Customs Questions affecting Transport (WP.30) or the Administrative Committee for the TIR Convention, 1975 (AC.2) meeting in February 2017.
2. The first question relates to the outcome of the independent audit conducted by the leading international firm Ernst & Young, which dismissed the allegations made against two individuals of the current IRU management by a former employee dismissed with immediate effect. The second question relates to one of the allegations made by the said individual.
3. The response to question 1 is that the audit investigated the specific allegations and in particular money flows related to the IRU insurance system. The audit found that all funds are fully accounted for and no money has been stolen or hidden. Hence, there is no legal ground whatsoever which would entitle any IRU Member Association affiliated to the TIR system to claim “restitution” of any amounts received from IRU’s insurers and/or brokers in remuneration of services provided, as risk management.
4. Question 2 relates to the second allegation made by said former employee. Insofar, IRU is not in a position to explain or clarify the wrongful allegations made by this former IRU employee.
5. During the AC2 meeting of 16 February 2017 the Russian Federation and also representatives of the European Commission expressed the desire to have access to the full Ernst & Young audit report. IRU is willing to grant such access to third parties on a need to know basis subject, however, to certain terms and conditions as set forth in more detail in the attached Acceptance Rules, such as:
 - (a) The Report will be made available in paper or digital form either in IRU’s offices or IRU’s lawyers’/public notary’s offices.
 - (b) Prior to accessing the Report each participant must execute the attached document “Acceptance of Access to Records Procedures and Confidentiality Undertaking”.
 - (c) No copies of the Report shall be taken, but handwritten notes shall be allowed.
 - (d) Access to the Report will be granted during a defined time period.
 - (e) Ernst & Young’s prior written consent to share the Report is required. Therefore, IRU needs to receive in advance the name, function, complete address and copy of passport of each person who will request to access to the Report.

Annex II

IRU Document / Template for:

Acceptance of Access to Records Procedures and Confidentiality Undertaking

1. I hereby acknowledge that I have read and understood the Access to Records Procedures set forth below ("**Procedures**"), which govern the consultation process of confidential documents made available for consultation by the International Road Transport Union ("**IRU**") to [fill in name of participant or its organization].

By signing this document, I confirm that I will duly comply with the procedures set out in the Procedures.

2. I hereby undertake not to disclose without IRU's prior consent any information made available by IRU in the context of the consultation. I also undertake not to use any information made available by IRU in the context of the consultation in any manner which may affect or damage the interests of IRU or of its members.

Notwithstanding the foregoing, I am entitled to disclose the information received to governing bodies of the organisation mentioned below (the "**Organization**") as well as to its counsels, provided however that any such person undertakes in writing to keep the strictest confidentiality on any information received. In order to prevent any uncontrolled disclosure of the information received, I undertake to limit the number of persons informed to the strict minimum necessary, on a need to know basis.

I understand that this confidentiality undertaking covers all information received from IRU, including my personal notes, summaries and other documents, independently of the media, prepared on the basis of or including information received in the context of the consultation.

The present acceptance and undertaking is executed on my personal behalf and on behalf of the Organization.

Visitor's Name: _____
Organisation: _____
Function: _____
Signature: _____
Date: _____

Access to Records Procedures

The Access to Records Procedures (the "*Procedures*") regulate the manner in which visitors are authorized to access to the information made available to them in the Data Room (as defined below).

1. Appointments

- (a) The data room ("*Data Room*") may be accessed to only upon prior appointment, as agreed with IRU in writing.

The Data Room is located at: [fill in full address], Switzerland

The Data Room will be available for use on [fill in exact date] 2017 and will be accessible from [fill in exact hours] on [fill in number] days.

- (b) Each visitor (the "*Visitor(s)*") may be required to produce evidence of his/her identity prior to entering the Data Room.

2. Admissions

- (a) Visitors shall only be admitted to the Data Room with the consent of IRU, whose consent may be withdrawn at IRU's sole discretion at any time without prior written notice.
- (b) Visitors will be admitted to the Data Room only after having executed the Acceptance of the Access to Records Procedures and Undertaking of Confidentiality and after having deposited all devices allowing recording or copying any document or file included in the Data Room, including mobile phones, tablets and other devices with similar functionalities. The use of computers, USB sticks and other electronic devices is prohibited in the Data Room.
- (c) Visitors must at all times comply with any requests made by IRU to leave the Data Room.
- (d) Visitors will be required to vacate the Data Room promptly at the end of the time allocated for their visit and will not be entitled to any extension of time without prior arrangement with IRU.
- (e) Visitors must submit to any reasonable security regulations and procedures required by IRU.

3. Documentation

- (a) No document in the Data Room, whether in hard or soft copy, may be removed from the Data Room or scanned, photographed or copied, but Visitors may make personal handwritten notes.
- (b) No document in the Data Room may be marked, altered, modified, varied (including varying the sequence thereof), damaged or destroyed in any way.
- (c) Documents in files or folders or otherwise collected in hard copy may be removed for viewing or examination but must be replaced in the same place and manner in which they were found. Documents stored electronically cannot be moved or printed.

- (d) No Visitor shall:
- (i) post any information or materials to the Data Room or create any links from the Data Room whatsoever;
 - (ii) connect any external device, whether physically or wirelessly, to the computers storing the Records made available for consultation;
 - (iii) allow the introduction of any virus or other malicious software codes into or otherwise damage the Data Room and the information and material therein.
- (e) In the event that any Visitor:
- (i) gains access to documents, material or information, or areas of the Data Room to which it knows or suspects it should not have access (howsoever such access is gained), it must immediately exit such area and inform the Data Room Co-ordinator by using the contact details set out in Section 5 below.
 - (ii) gains access to or reads any document or information to which it knows or suspects that it should not have access, it must immediately close such document and inform the Data Room Co-ordinator of the fact of such access by using the contact details set out in Section 5 below.

In either event, the Visitor shall not divulge the fact of the disclosure nor the information gained therein to any other person or organisation save where required to do so by order of a court, regulatory body or other competent tribunal.

4. Services

- (a) Hot and cold beverages will be available throughout the day during the normal hours of availability.

5. Conduct

- (a) A representative of IRU [or the law firm] will be in attendance to supervise the operation of the Data Room and to respond to any questions. However, such representative will not have the power to give to the Visitors any answers or explanations legally binding upon IRU in connection with the documents.
- (b) If Visitors have questions regarding information in the Data Room or arising from it, they are asked to contact Mr. [...] (phone: [...]) (the "**Data Room Co-ordinator**"), who will make his best effort to answer any questions and/or to provide any additional documentation that may be required, subject to prior acceptance by IRU.