



INTERNAL AUDIT DIVISION

REPORT 2014/095

Audit of the United Nations Office for West Africa and the Cameroon-Nigeria Mixed Commission

Overall results relating to the effective management of the substantive operations and the finance and administration support functions of the United Nations Office for West Africa and Cameroon-Nigeria Mixed Commission were initially assessed as unsatisfactory. Implementation of two critical and four important recommendations remains in progress

FINAL OVERALL RATING: UNSATISFACTORY

29 September 2014

Assignment No. AP2013/642/01

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AUDIT REPORT

Audit of the United Nations Office for West Africa and the Cameroon-Nigeria Mixed Commission

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Office for West Africa (UNOWA) and the Cameroon-Nigeria Mixed Commission (CNMC).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. UNOWA was established pursuant to the Secretary-General's letter dated 29 November 2001 to the Security Council and formally commenced operations in January 2003 in Dakar, Senegal. UNOWA was responsible for: (a) monitoring political developments in West Africa, carrying out good offices roles and special assignments on behalf of the Secretary-General; (b) enhancing sub-regional capacities for conflict prevention and mediation in countries of the sub-region, and addressing cross-border and cross cutting threats to peace and security; and (c) promoting good governance and respect for the rule of law, human rights and mainstreaming of gender in conflict prevention and conflict management initiatives in West Africa.
4. The Special Representative of the Secretary-General of UNOWA was also responsible for chairing CNMC and following up on the implementation of the October 2002 decision of the International Court of Justice on land and maritime boundaries between Cameroon and Nigeria. CNMC was responsible for: (a) supporting the demarcation of the land boundary and the delineation of the maritime boundary; (b) facilitating the withdrawal and transfer of authority in the Lake Chad area, along the boundary and in the Bakassi peninsula; and (c) addressing the situation of affected populations and making recommendations on confidence-building measures. UNOWA was also responsible for the administrative activities of CNMC.
5. UNOWA had 46 authorized posts comprising 20 professional staff, 7 field service staff and 19 national staff. CNMC had 12 authorized posts comprising 9 professional staff, 1 field service staff and 2 national staff. The regular budgets for UNOWA for 2012 and 2013 were \$8.9 million and \$9.7 million respectively and for CNMC were \$8.9 million and \$7.0 million respectively. CNMC was also funded from a multi-donor trust fund for the Cameroon-Nigeria border demarcation programme, which had received contributions totaling \$9.5 million since it was established in 2003.
6. Comments provided by UNOWA are incorporated in italics.

II. OBJECTIVE AND SCOPE

7. The audit was conducted to assess the adequacy and effectiveness of UNOWA and CNMC governance, risk management and control processes in providing reasonable assurance regarding the **effective management of the substantive operations and the finance and administration support functions of UNOWA and CNMC.**

8. The audit was included in the OIOS 2013 risk-based work plan because of the operational and financial risks related to the implementation of the mandates of UNOWA and CNMC.
9. The key controls tested for the audit were: (a) risk management and strategic planning; and (b) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:
- (a) **Risk management** - controls that provide reasonable assurance that risks and opportunities relating to UNOWA and CNMC operations are identified and assessed, and that action is taken to mitigate or anticipate risks.
 - (b) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide the operations of UNOWA and CNMC; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.
10. The key controls were assessed for the control objectives shown in Table 1.
11. OIOS conducted this audit in February and March 2014. The audit covered the period from 1 January 2012 to 31 December 2013.
12. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness

III. AUDIT RESULTS

13. The UNOWA and CNMC governance, risk management and control processes examined were initially assessed as **unsatisfactory**¹ in providing reasonable assurance regarding the **effective management of the substantive operations and the finance and administration support functions of UNOWA and CMC**. OIOS made six recommendations to address the issues identified. UNOWA and CNMC had adequately planned and implemented activities for effective implementation of their respective mandates. However, UNOWA needed to: (a) complete official travel arrangements 16 days in advance of the travel; (b) consistently develop consultancy terms of reference and measure their performance against established criteria; (c) comply with the administrative instruction on performance management; and (d) maintain the required air operations documentation; (e) establish a service-level agreement of the level and quality of support to be provided by the United Nations Global Service Centre; and (f) discontinue paying staff additional advances until they have accounted for previous advances provided.
14. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **unsatisfactory** as implementation of two critical and four important recommendations remain in progress.

¹ A rating of “**unsatisfactory**” means that one or more critical and/or pervasive important deficiencies exist 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.

Table 1: Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of the substantive operations and the finance and administration support functions of UNOWA and CNMC	Risk management	Satisfactory	Satisfactory	Satisfactory	Satisfactory
	Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Unsatisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A. Risk management

Activities had been adequately planned and implemented toward the achievement of mandates

15. In accordance of the United Nations Results-Based Budget Framework, UNOWA/CNMC were required to adequately plan and implement appropriate activities toward the implementation of their mandates.

16. Interviews with officials of UNOWA and review of pertinent documents such as budget performance reports, results of the work plan review session and substantive outputs indicated that UNOWA and CNMC were adequately planning and implementing activities for effective mandate implementation. For example, UNOWA was monitoring political developments in West Africa and had established partnerships with entities in the sub-region including the Mano River Union, the Economic Community of West African States and United Nations missions. Through collaboration with these partners, UNOWA was contributing to the enhancement of sub-regional capacities for conflict prevention and mediation and promoting good governance and respect for the rule of law, human rights, the mainstreaming of gender in conflict prevention and conflict management initiatives. At the time of the audit, CNMC had completed the demarcation of 1,893 kilometers of the estimated 2,100-kilometer border. The Special Representative of the Secretary-General facilitated a number of agreements and communiques on the implementation of decisions.

17. OIOS concluded that UNOWA/CNMC adequately planned and implemented appropriate activities toward the implementation of their mandates.

B. Regulatory framework

Arrangements for official travel were not completed in a timely manner

18. The Administrative Instruction on Official Travel required that travel arrangements, including advance booking and purchase of tickets, be finalized 16 calendar days before the commencement of travel. Programme managers were required to justify why travel arrangements could not be finalized within this timeframe. The staff of CNMC routinely traveled between Senegal, Cameroon, and Nigeria

typically in groups of three to four on commercial aircrafts to perform work on border demarcation. In 2013, there were 225 official travels valued at \$810,000 on commercial aircrafts.

19. Only 41 (or 16 per cent) of the 225 travels were approved 16 days prior to the commencement of travel. There were also 25 travels that were either approved on the day of travel, or approved retroactively. UNOWA advised that delays in the approval of travel resulted as it was often required at very short notice. However, programme managers had not adequately documented justifications for not completing travel arrangements sufficiently in advance. As a result, UNOWA was precluded from getting a better deal for tickets purchased in advance.

(1) UNOWA should implement procedures to ensure that arrangements for official travels are completed 16 days in advance of the travel in compliance with the Administrative Instruction on Official Travel.

UNOWA accepted 1 and stated that it had reminded staff members to comply with the Administrative Instruction on Official Travel, barring the unavoidable cases when governments are involved or when confirmation from governments are awaited. Recommendation 1 remains open pending receipt of instructions issued to staff, as well as evidence that the requirement has been complied with in respect of current travels

Management of consultants needed improvement

20. The Administrative Instruction on the use of consultants required consultancy terms of reference to be clear and specific and to include measurable outputs of the work assignment. The 2013 budget for consultants for UNOWA and CNMC was \$2.0 million, which was 12 per cent of the combined budgets of \$16.7 million for both organizations.

21. A review of the eight consultancy agreements executed by UNOWA and CNMC in 2013 indicated: (a) the absence of terms of reference for four consultants; and (b) the terms of reference for the remaining four consultants did not specify tangible and measurable outputs. Also, UNOWA and CNMC programme managers for all eight consultants did not properly complete the required evaluation on the quality of work and results achieved. Three of these eight consultants were rehired without their prior work being evaluated. This resulted as UNOWA had not adequately briefed programme managers on procedures to follow and had not implemented sufficient supervisory review over the management of consultants. As a result, UNOWA and CNMC were precluded from properly assessing whether consultants had achieved the objectives of their assignment.

(2) UNOWA should implement procedures and provide guidance to staff on the process of managing consultants to ensure that consultancy terms of reference are consistently developed and performance is measured against the established criteria.

UNOWA accepted recommendation 2 and stated that following the implementation of Umoja, training sessions had been delivered to staff on how to request and administer individual contractors and consultants. Recommendation 2 remains open pending receipt of evidence that adequate procedures are in place for managing consultants, including copies of recent terms of reference for consultants and evaluation of such consultancies.

Compliance with staff performance management instructions needed improvement

22. UNOWA was required to report on its compliance with the administrative instruction on staff performance management and development to the Field Personnel Division of the Department of Field Support (DFS).

23. UNOWA provided the required monthly reports to DFS including the status of staff performance appraisals. Its January 2014 reports indicated that CNMC had completed performance appraisals for all staff and that UNOWA had completed appraisals for 80 per cent of its staff for the 2012/13 performance management cycle. However, CNMC completed only 58 per cent and UNOWA completed 16 per cent of the required performance appraisal reports. The Mission could not provide a satisfactory explanation for the discrepancies in the reports provided to DFS; but indicated that it would make efforts in the future to ensure compliance with performance appraisal requirements.

(3) UNOWA should implement measures to ensure: compliance with the administrative instruction on performance management; and accurate reporting of its compliance with the instruction.

UNOWA accepted recommendation 3 and stated that it would enhance monitoring of staff performance management and was in the process of establishing a Joint Monitoring Group to review the implementation of e-performance management. Recommendation 3 remains open pending receipt of copies of the measures implemented by UNOWA to ensure compliance with the administrative instruction on staff performance management.

Service-level agreement for procurement activities needed to be established

24. An instruction from the Under-Secretary-General, DFS, dated 24 May 2011, required the United Nations Global Service Centre (UNGSC) in Brindisi, Italy to provide procurement services to UNOWA that were timely, responsive, effective and in accordance with an agreed service-level agreement.

25. UNOWA did not establish a service-level agreement with UNGSC detailing the activities, timelines and level of support to be provided. As a result, there was no mechanism to enforce the level of performance and quality of services expected by UNOWA from UNGSC. For example, 11 of 32 purchase orders for generator maintenance, security, cleaning services and the supply of fuel issued by UNGSC for UNOWA in 2012/13 took an average of 200 days from the date UNOWA provided its requisitions to the time UNGSC issued the related purchase order.

(4) UNOWA should establish a service-level agreement detailing the activities and level of support to be provided by the United Nations Global Service Centre, and related key performance indicators for assessing the delivery and quality of services provided.

UNOWA accepted recommendation 4 and stated that they would work together with UNGSC to establish an operational service-level agreement. Recommendation 4 remains open pending receipt of a copy of the service-level agreement between UNOWA and UNGSC.

Project advances were not fully accounted for before additional advances were provided

26. The Field Finance Procedures Guidelines required cash advances to finance projects to be replenished only when full accountability for the use of previous advances was established.

27. UNOWA provided additional advances to staff without accounting for the previous advance. For instance, as at 21 February 2014, UNOWA had paid seven cash advances totaling \$52,492 to three staff. This included: two advances totaling \$22,000 to one staff; two advances totaling \$22,000 to another staff; and three advances totaling \$8,492 to a third staff. While advances to the first two staff members were for projects implemented in remote locations, three advances were issued to a staff located in Dakar. Staff members working in remote locations were required to provide comprehensive accounts of all advances upon their return to Dakar, which was being done. In the cases cited by OIOS, UNOWA advised that additional advances were paid, as duration of travels was extended due to operational reasons. UNOWA however was unable to explain why a locally based staff member continued to receive advances without accounting for them.

28. Prior to receipt of additional advances, staff working in remote locations at least needed to submit via email or facsimile to the Finance Section at UNOWA Headquarters expenditure reports/written justifications for the use of advances previously disbursed to them for projects implemented in remote locations. The provision of large sums of advances to staff members increased the risk of financial loss and abuse of project resources.

(5) UNOWA should discontinue paying staff additional advances until they have accounted for previous advances provided.

UNOWA accepted recommendation 5 and stated that additional advances were given to staff working in remote areas in the field, and relevant travel authorizations were amended to reflect additional advances. Recommendation 5 remains open pending receipt of evidence that adequate procedures have been implemented to ensure that additional advances are provided only when staff have accounted for the use of previous advances.

Controls over air operations needed improvement

29. UNOWA had an aircraft under a long-term contract. The contract provided that for a period of 30 days per year, it would not be available due to routine maintenance and aircrew illness; but this unavailability would be for no more than 10 days at a time. The contract further provided that United Nations would be entitled to a deduction in contractual payments for the period when the aircraft was unavailable beyond the allowable period. UNOWA was required to report to DFS the unavailability of the aircraft. Moreover, the Department of Peacekeeping Operations/DFS Aviation Manual required all passengers travelling on United Nations aircraft to complete a movement of personnel form (authorization to travel on the United Nations aircraft), and Non-United Nations personnel to sign the general release from liability form (waiver).

30. UNOWA did not consistently report the unavailability of its aircraft beyond 10 days to DFS. For example, only one of four occasions in July and November 2013 and March 2014 was reported. This was because UNOWA did not implement a process of monitoring and thus reporting downtime to DFS. As a result, the Organization was precluded from obtaining a possible deduction from contractual payments.

31. For March and October 2013, UNOWA did not maintain required relevant documents to support travel undertaken, including: (a) 35 out of 90 movement of personnel forms reviewed; (b) 9 flight manifests; and (c) 18 of the 19 waivers for non-United Nations passengers. UNOWA attributed this to poor record keeping and explained that it had complied with the Aviation Manual with regard to passengers traveling on United Nations aircraft. However, due to absence of records, OIOS was unable to establish whether all required procedures were followed, and the aircraft was used for intended purposes. There was also an increased risk of unauthorized personnel traveling on the United Nations aircraft,

inefficient use of United Nations assets, and the Organization being held liable in event of an injury or accident.

(6) UNOWA should implement appropriate procedures to ensure effective air operations and maintenance of the required documentation.

UNOWA accepted recommendation 6 and stated that incident report procedures have been implemented on the electronic monthly reports and procedures for filing of movement of personnel forms have been changed and implemented. Recommendation 6 remains open pending receipt of documentation showing the improvement in controlling aircraft maintenance and passenger records.

IV. ACKNOWLEDGEMENT

32. OIOS wishes to express its appreciation to the Management and staff of UNOWA and CNMC for the assistance and cooperation extended to the auditors during this assignment.

(Signed) David Kanja
Assistant Secretary-General for Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Office for West Africa and the Cameroon-Nigeria Mixed Commission

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	UNOWA should implement procedures to ensure that arrangements for official travels are completed 16 days in advance of the travel in compliance with the Administrative Instruction on Official Travel.	Important	O	Receipt of instructions issued to staff as well as evidence that the requirement has been complied with in respect of current travels.	December 2014
2	UNOWA should implement procedures and provide guidance to staff on the process of managing consultants to ensure that consultancy terms of reference are consistently developed and performance is measured against the established criteria.	Critical	O	Receipt of evidence that adequate procedures are in place for managing consultants, including copies of recent terms of reference for consultants and evaluation of such consultancies.	October 2014
3	UNOWA should implement measures to ensure: compliance with the administrative instruction on performance management; and accurate reporting of its compliance with the instruction.	Important	O	Receipt of copies of the measures implemented by UNOWA to ensure compliance with the administrative instruction on staff performance management.	October 2014
4	UNOWA should establish a service-level agreement detailing the activities and level of support to be provided by the United Nations Global Service Centre, and related key performance indicators for assessing the delivery and quality of services provided.	Important	O	Receipt of a copy of the service-level agreement between UNOWA and UNGSC.	December 2014

² Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

³ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁴ C = closed, O = open

⁵ Date provided by UNOWA in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Office for West Africa and the Cameroon-Nigeria Mixed Commission

Recom. no.	Recommendation	Critical ⁶ / Important ⁷	C/ O ⁸	Actions needed to close recommendation	Implementation date ⁹
5	UNOWA should discontinue paying staff additional advances until they have accounted for previous advances provided.	Important	O	Receipt of evidence that adequate procedures have been implemented to ensure that additional advances are provided only when staff have accounted for the use of previous advances.	October 2014
6	UNOWA should implement appropriate procedures to ensure effective air operations and maintenance of the required documentation.	Critical	O	Receipt of documentation showing the improvement in controlling aircraft maintenance and passenger records.	October 2014

⁶ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

⁷ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁸ C = closed, O = open

⁹ Date provided by UNOWA in response to recommendations.

APPENDIX I

Management Response



Réf: UNOWA/OCOS/032/14


Memorandum

26 August 2014

To: Eleanor T Burns
Director, Internal Audits Division (OIOS)

Cc: Mr. Said Djinnit
SRSG

Ms. Veneranda Mukandoli- Jefferson
Chief Mission Support

From: Moudjib Djinado 
Chief of Staff

Subject: Transmission of UNOWA/CNMC comments

Dear Colleague,

1. Please find attached, as requested the Appendix 1 form duly completed with UNOWA/CNMC's comments to each recommendation,
2. We remain available for complementary information on the process.
3. Best regards.

Management Response

**Audit of the United Nations Office for West Africa and the Cameroon-Nigeria Mixed Commission
(Assignment No. AP2013/642/01)**

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNOWA should implement procedures to ensure that official travels are completed 16 days in advance of the travel in compliance with ST/AI/2013/3 on official travel.	Important	Yes	Chief, Mission Support	December 2014	<i>Staff members are consistently reminded of the requirement of 16 day advance. Tickets purchased within shorter period are to be justified and approved. There are unavoidable cases though, when governments are involved as in the case of the CNMC, or when the SRSRG awaits confirmation from government, which could come at the very last minute.</i>
2	UNOWA should implement procedures and provide guidance to staff on the process of managing consultants to ensure that consultancy terms of reference are consistently developed and performance is measured against the established criteria.	Important	YES	Humane Resource Officer	October 2014	<i>Following the implementation of UMOJA, as part of the ongoing effort of educating staff on the procedures and policies related to ICs and consultants, training sessions on requesting and administration of ICs and Consultants were conducted. Consultants and ICs are recruited based on the Terms of Reference.</i>
3	UNOWA should implement measures to ensure compliance with the administrative instruction on performance management and accurate reporting of its compliance with the instruction.	Important	YES	Chief of Staff	October 2014	<i>Efforts are being made to enhance the monitoring of the performance management. Office of the SRSRG is recommending that contract should be extended if the staff hasn't duly</i>

¹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

Audit of the United Nations Office for West Africa and the Cameroon-Nigeria Mixed Commission
(Assignment No. AP2013/642/01)

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<i>completed the ePas process. Also, the mission is working on the establishment of its Joint Monitoring Group (JMG).</i>
4	UNOWA should establish a service-level agreement detailing the activities and level of support to be provided by the United Nations Global Service Centre, as well as expected performance measurement system, including key performance indicators, for assessing the delivery and quality of services provided.	Important	YES	Chief Mission Support	December 2014	<i>UNOWA and UNGSC will work together to establish an operational service level agreement.</i>
5	UNOWA should implement adequate procedures over petty cash by ensuring: (a) all payments are properly supported; and (b) only advances authorized by the Chief of Mission Support are paid by the Finance Section.	Important	YES	Finance Officer	October 2014	<i>All petty cash expenditures were adequately supported by valid supporting documents except for one incident, where voucher existed but the receipt was lost.</i>
6	UNOWA should discontinue paying staff additional advances until they have accounted for previous advances provided.	Important	YES	Finance Officer	October 2014	<i>In some instances, additional advances were given to staff member that were in the field in a remote areas for the CNMC Pillar emplacement. PTSs were amended accordingly to reflect for the additional advances. As the mission was an ongoing project, staff members had not returned to their duty station. Once the staff members returned to Dakar, F10 claim will be submitted and Finance will process and recover any balance owed or pay balance due</i>

APPENDIX I

Management Response

Audit of the United Nations Office for West Africa and the Cameroon-Nigeria Mixed Commission
(Assignment No. AP2013/642/01)

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<i>accordingly. The purpose of F10 claim is done once travel is completed. These staff have not completed their travel. The staff submit expenditure report regarding advance received for the field operations before any replenishment.</i>
7	UNOWA should implement appropriate procedures to ensure effective air operations and maintenance of the required documentation.	Important	YES	Chief Aviation Officer	October 2014	<i>Incident report procedures have been implemented on the electronic monthly reports. Procedures for filing of MOPs have been changed and implemented.</i>