OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

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Audit of activities of the Statistics Division in supporting countries to strengthen their national statistical systems

While the activities and projects were generally aligned with the mandate from the Statistical Commission, the Statistics Division needed to improve the effectiveness of planning, implementing and monitoring capacity-building activities related to the strengthening of national statistical systems

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Audit of activities of the Statistics Division in supporting countries to strengthen their national statistical systems

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the activities of the Statistics Division (UNSD) in supporting countries to strengthen their national statistical systems. The objective of the audit was to determine the adequacy and effectiveness of governance, risk management and control processes of the Statistics Division in delivering its mandate to support countries to strengthen their national statistical systems. The audit covered the period from 1 January 2021 to 31 December 2022 and focused on the following two main audit questions:

(a) How effectively was UNSD organized to facilitate delivering on its mandate?

(b) How effectively did UNSD plan, implement and monitor activities related to strengthening national statistical systems?

While UNSD monitored the delivery of its mandates, there was inadequate annual work planning at the section level and assessment of the achievement of the objectives and expected results/indicators of achievement of some activities and projects. Staffing resources were stretched but there was no action plan to address work-life balance issues and fill long outstanding vacancies. Overall, there was inadequate knowledge management, and standardized processes, guidelines and manuals were needed in many areas including risk assessment on accepting donor funding, documentation of the rationale for selecting target countries for projects, maintenance of project records, and planning, reporting and evaluation of projects.

OIOS made eight recommendations. OIOS determined not to maintain two recommendations in the draft report based on the additional clarification and information that DESA provided in response to the draft report. To address issues identified in the audit, UNSD needed to:

- Finalize and implement an action plan to address work-life balance issues;
- Expedite recruitment processes for vacant positions and, in the interim, assign officers-in-charge for vacant chief posts in sections and branches;
- Improve staff completion of mandatory training and individual performance evaluations;
- Ensure all sections develop detailed annual work plans;
- Document the rationale behind the selection of target countries for its activities and projects and integrate the "leave no one behind" principle into the selection process;
- Develop requirements for standard reports and communicate financial reporting needs to the Capacity Development Programme Management Office;
- Improve management of project records; and
- Provide further operational guidance on planning and reporting on activities funded by the regular programme of technical cooperation.

DESA accepted the recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

CONTENTS

Audit of activities of the Statistics Division in supporting countries to strengthen their national statistical systems

I.   BACKGROUND

1.   The Office of Internal Oversight Services (OIOS) conducted an audit of the activities of the Statistics Division (UNSD) in the Department of Economic and Social Affairs (DESA) in supporting countries to strengthen their national statistical systems.

2.   UNSD implements DESA subprogramme 4, whose objective is to strengthen the capacity of Member States to produce and use high-quality, timely, disaggregated, open data and national statistics and geospatial information to inform policy and decision-making for United Nations policy agendas, including the 2030 Agenda for Sustainable Development. UNSD supports countries through its normative work and capacity-building activities. As part of its normative work UNSD establishes norms and standards through developing and updating methodologies, tools, guidelines and manuals. Its capacity-building activities involves direct assistance in implementing the norms and standards in selected countries and regions through workshops, training courses, and advisory services (including by interregional advisors). Capacity-building activities in 2021 and 2022 included (a) development of an eLearning course on small area estimation for sustainable development goals (SDGs) data disaggregation, (b) support to specific countries to leverage innovative sources, technologies and methods to produce and disseminate better, more timely and disaggregated SDG data, and (c) initiating the modernization of the United Nations data portal (UNdata data.un.org). UNSD also facilitates the coordination of international statistical activities and supports the functioning of the United Nations Statistical Commission (the Statistical Commission) as the apex entity of the global statistical system.

3.   UNSD is composed of five branches: (a) Data Innovation and Capacity; (b) Economics and Statistics; (c) Demographic and Social Statistics; (d) Environment Statistics and Geospatial Information; and (e) Development Data and Outreach. UNSD is headed by a Director at the D-2 level, who is accountable to the Under-Secretary-General for Economic and Social Affairs and is supported by five Branch Chiefs at the D-1 level, 11 Section Chiefs at the P-5 level, 54 officers at the professional level and 50 staff at the general service level. These 121 posts are funded through the regular budget. An additional 24 posts are financed through extrabudgetary resources. As of 30 June 2023, 23 of 143 positions were vacant, representing 16 per cent vacancy rate. UNSD implements its programme and projects directly, in conjunction with consultants and individual or institutional contractors/vendors as needed.

4.   The combined UNSD regular budget and extrabudgetary resources was $26.7 million for 2021, $24.4 million for 2022 and $24.1 million for 2023. UNSD is also financed through the regular programme of technical cooperation (RPTC) and Development Account. RPTC budget was $1.5 million for 2021, $1.8 million for 2022 and $1.7 million for 2023. The multiannual budget for Development Account projects was $2 million in 2023, $3.2 million in 2022 and $5.6 million in 2021.[1] The Capacity Development Programme Management Office (CDPMO) of DESA provides administrative support related to the financial and human resources management of RPTC, Development Account and donor funded projects. Normative work is funded through the regular budget, while capacity-building activities are funded through RPTC, Development Account and extrabudgetary resources.

5.   Comments provided by DESA are incorporated in italics.

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[1] Development Account project budgets are allocated in tranches that can cover several years.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6.   The objective of the audit was to determine the adequacy and effectiveness of governance, risk management and control processes of the Statistics Division in delivering its mandate in supporting countries to strengthen their national statistical systems.

7.   This audit was included in the 2022 risk-based work plan of OIOS due to the criticality of UNSD activities in supporting national statistical systems, particularly regarding the SDGs.

8.   OIOS conducted this audit from December 2022 to August 2023. The audit covered the period from 1 January 2021 to 31 December 2022 and looked at prior and subsequent periods when reviewing multi-year projects or for comparative purposes. The audit focused on the following two main audit questions.

    (a) How effectively was UNSD organized to facilitate delivering on its mandate?

    (b) How effectively did UNSD plan, implement and monitor activities related to strengthening national statistical systems?

9.   The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. How effectively was UNSD organized to facilitate delivering on its mandate?

<u>The mandate to support countries to strengthen their national statistical systems was clear; however, the roles and responsibilities of UNSD branches and sections could be clarified and documented</u>

10.   The UNSD mandate was clearly defined in the Economic and Social Council resolution 2006/6, proposed programme budget documents and in the decisions of the Statistical Commission. Based on interviews with UNSD staff and review of available documentation, the roles and responsibilities of the branches, sections and staff in supporting national statistical systems were also clear. However, following the creation of the Data Innovation Capacity Branch during the DESA departmental reform in 2018, there was an overlap of certain capacity-building functions between the Statistical Capacity Management Section in that Branch and the Development Data and Outreach Branch. The UNSD Director commented that he expected certain adjustments and fine-tuning of roles and responsibilities might be necessary over time. In addition, while OIOS identified several good examples of project management during the audit, these were often isolated cases driven by the experience and personalities of the project managers. Overall, there was a lack of knowledge management, standardized processes, guidelines and manuals, as discussed throughout this report. It would benefit the Division if the role of the Statistical Capacity Management Section could be strengthened to develop and promulgate relevant guidance.

11.   Furthermore, even though the DESA departmental reform took place in 2018, the new Secretary-General's bulletin on the organization of DESA was still in draft. Therefore, changes in the UNSD mandate since 2010 have not been reflected in the bulletin (ST/SGB/1997/9). There is an open OIOS recommendation (issued in OIOS report 2016/032) to update the bulletin to reflect changes to the mandate and function of UNSD. Implementation of this recommendation was still in progress at the time the audit was conducted. In the interim, UNSD could consider summarizing the roles and responsibilities of its

branches and sections in an internal document to clarify and minimize potential overlaps and mitigate the risk of inefficient mandate implementation.

<u>Resources were stretched but there was no action plan to address staffing issues</u>

12.   UNSD no longer had a gap analysis to identify whether it had sufficient resources to deliver its mandates. This was because the requirement to report time spent on activities was dropped in the transition to using the Strategic Management Application (SMA) in Umoja for programme performance monitoring. Interviews with staff and the results of the 2021 staff engagement survey indicated that some staff were stretched. Thirty-five per cent of staff who responded to the 2021 staff engagement survey indicated that they did not maintain a healthy balance between their work and personal life, 37 per cent experienced a level of stress in their job that was not acceptable to them and 56 per cent responded that their department did not have the resources (finances, equipment, etc.) necessary to do quality work. These results were more negative than in the prior staff engagement survey and the overall DESA 2021 results. As of July 2023, UNSD had not finalized and implemented an action plan to address the issues identified in the staff engagement survey, including those related to stress at work and work-life balance. UNSD remarked that it was preparing an action plan on the 2021 staff engagement survey in parallel with a task team in DESA, which was drafting an action plan for the whole Department.

13.   OIOS noted that high vacancy rates were contributing to the inadequate resources and busyness of certain staff and sections. Despite regular monitoring, as of 4 August 2023, UNSD had 23 vacant positions, resulting in a vacancy rate of 16 per cent. Thirteen of these vacancies were funded from the regular budget, while 10 were financed from other sources and included staff to be hired in the centres in Hangzhou and Bonn established in May and November 2022, respectively.[2] The average recruitment time for UNSD in 2022 was 504.6 days, which was much higher than the Secretariat's target of 120 days. For the same year, the average recruitment time in DESA was 352.9 days and the Secretariat's average recruitment time was 181.2 days. The issue of the long recruitment timeline was recognized by the Under-Secretary-General for DESA who recently requested directors to develop actions to address this. In July 2023, UNDS hired an additional temporary human resources officer for three months to support the recruitment process. While the UNSD Director aimed to decrease the vacancy rate by year end 2023 as requested by the Under-Secretary-General for DESA, this might not be achieved due the temporary suspension of hiring against vacant positions funded from the regular budget, which came into effect on 20 July 2023. Only selections involving DESA staff have been permitted, which typically result in the creation of another internal vacancy.

14.   Furthermore, two branch chief posts at the D-1 level had been vacant for a prolonged period without adequate interim arrangements. The positions were not shown as vacant in the management dashboard because they were filled by other staff who were not performing the branch chief functions and the UNSD Director acted as the officer-in-charge for both branches. While the Director represented the branches in engagements with external stakeholders and partners and held regular meetings with section chiefs of the two branches, he acknowledged that he could focus only on the most critical issues, and as a result, sections chiefs had to cope with an increased workload. Furthermore, both branches had low mandatory training completion rates, a lower rate of completed performance evaluations, and potentially inadequate coordination at the branch level. Without a designated person to approach within the branches, staff members may not feel comfortable approaching the UNSD Director with their concerns, which could delay resolution of significant issues.

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[2] One post at D1 level in Hangzhou was established later, in August 2022, as it required approval from the Advisory Committee on Administrative and Budgetary Questions.

15.   The post of chief of the Environment Statistics and Geospatial Information Branch had been vacant for 7.5 years. Even though a job opening was posted from 23 May to 21 July 2016, and the Central Review Board endorsed the proposal to fill the post on 2 February 2022, the position was not filled as of 14 July 2023. UNSD Director held conversations with the candidates recently but some of them were no longer available. At the time of the audit, UNSD was contemplating to re-advertise the post as one of possible options.

16.   The post of chief of the Economics Statistics Branch was encumbered since 1 February 2022, based on an agreement reached with the Office of Human Resources, impeding UNSD from using the post to effectively manage its operations. The arrangement was under review at the time of the audit.

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(1)   DESA Statistics Division should finalize and implement an action plan to address work-life balance issues identified by the staff engagement survey conducted in 2021.

DESA accepted recommendation 1 and stated that the results of the 2023 staff engagement survey to be conducted in late 2023 may also inform the implementation of this recommendation.

(2)   DESA Statistics Division should prepare an action plan to expedite recruitment processes for vacant positions and in the interim assign officers-in-charge for vacant chief posts in sections and branches to oversee activities.

DESA accepted recommendation 2 and stated that the full implementation of the action plan would also depend on the status of the temporary suspension of hiring currently in place for positions funded from the regular budget.

There was a need to improve compliance with mandatory training and staff performance evaluation requirements

17.   UNSD completion rate of mandatory training as of 31 December 2022 stood at 65 per cent, which was lower than the overall completion rate in DESA which stood at 74 per cent. Without the newly introduced "United to Respect: Preventing Sexual Harassment and Other Prohibited Conduct", for which the completion deadline was set for 31 January 2023, UNSD completion rate stood at 70 per cent (79 per cent in DESA). The low completion rate was despite the email reminders sent to all staff on 13 October 2022 and 30 November 2022. Staff at D-1, D-2 and P-5 levels had completed less than half of the mandatory training (28, 38 and 48 per cent respectively).

18.   Likewise, UNSD completion rate of individual performance evaluation was relatively low, with 51 per cent of completed evaluations for the last performance cycle of 2021/2022, and 64 per cent for 2020/2021. Table 1 provides an overview of ePerformance cycle completion for the last two years. The completion rate for the 2022/2023 cycle stood at 70.9 per cent at the deadline date of 31 July 2023.

Table 1
Completion of ePerformance cycle

Completion	2020/2021		2021/2022	
	Number of staff	**Percentage**	**Number of staff**	**Percentage**
Completed	82	64	62	51
Not Completed	46	36	59	49
Total	**128**	**100**	**121**	**100**

19.   The main reason for the incomplete performance evaluations was outstanding approval by the second reporting officer (18 per cent for 2021/2022, and 46 per cent for 2020/2021). Overall, 92 (65 per cent) of performance documents for the last two cycles were pending with the UNSD Director, in his role as the first or second reporting officer. Without an evaluation or an endorsement of staff performance assessment by the first or second reporting officer, staff who prepared performance documents were not only missing the recognition for the work they accomplished, but also lacked completed performance documents that might prevent them from being granted continuing appointments, promotions and similar events. According to the 2021 engagement survey results, 26 per cent of UNSD staff responded that their accomplishments were not recognized by their manager. Further, any issues with non-performing staff might not be raised and addressed in a timely manner. Thirty-four per cent of UNSD staff were not confident that their manager would take appropriate action if their team had an ongoing performance problem. Completed performance evaluations will ultimately contribute to a more engaged, motivated and high-performing workforce.

> **(3)   DESA Statistics Division should set clear deadlines for staff completion of mandatory training and individual performance evaluations, provide regular reminders emphasizing their roles in professional development and organizational success, and ensure that managers at all levels are actively monitoring compliance within their respective teams.**
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> *DESA accepted recommendation 3.*

B.   How effectively did UNSD plan, implement and monitor activities related to the strengthening of national statistical systems?

i.   Planning

Inadequate annual work planning by most UNSD sections

20.   Interviews with seven section or branch chiefs and the results of the sample testing demonstrated that the annual planning in UNSD was inconsistent and in some cases inadequate. For example, while 6 of the 17 sampled capacity-building activities or projects were explicitly mentioned in a section or branch's annual work plans, others were not because the sections either did not prepare annual work plans or prepared work plans at a high level that did not list detailed tasks. Only two out of six section work plans provided included a complete overview of the section's responsibilities specifying tasks, assigned staff resources, timelines and deadlines. Interviewed UNSD sections chiefs mentioned that such a level of detail was usually included in staff members' individual work plans in Inspira. However, without sufficiently detailed section work plans, it was not possible to fully assess achievements of sections at the year-end or highlight mismatches between workload and resources as discussed above.

21.   Comprehensive annual work plans across UNSD sections would lead to more effective planning, better resource allocation, and ultimately, greater success in achieving organizational goals. They would also improve transparency on who was doing what in UNSD. According to the 2021 staff engagement survey, 37 per cent of UNSD staff were not satisfied with the information they received from senior leadership on the activities in their organizational unit. UNSD commented that they experienced frequent changes in staffing and programme of work, making it challenging to follow the work plans. However, work plans should be regularly monitored and adjusted for any changes.

> **(4)   DESA Statistics Division should enhance the annual planning process by ensuring all sections develop detailed work plans that include all tasks and activities to be performed, assigned staff and timeframes for their completion.**

> *DESA accepted recommendation 4 and stated that flexibility to adjust for (frequent) staffing and programme changes must be maintained.*

ii.   Normative work

<u>UNSD monitored the delivery of its mandates related to its normative work</u>

22.   UNSD monitored its deliverables in detailed excel spreadsheets, and, since 2020, also updated the deliverables in SMA in Umoja. According to those records, the implementation rate of deliverables in 2022 was 111 per cent as 426 deliverables were completed against the planned 383. Deliverables related to its normative work were also reflected in the annual or biannual reports for the Statistical Commission. These included development of a global set of climate change statistics and indicators, which was mandated by the Statistical Commission at its forty-seventh and forty-ninth sessions. The Global Set was adopted by the Statistical Commission at its fifty-third session in March 2022 as the framework for climate change statistics and indicators to be used by countries when preparing their own sets of climate change statistics and indicators. UNSD also coordinated work on the revision of the System of Environmental-Economic Accounting (SEEA), which is the accepted international standard for environmental-economic accounting. SEEA consists of two parts and the second part was adopted by the Statistical Commissions at its fifty-second session in March 2021.

23.   Other monitored deliverables included: servicing meetings for the Statistical Commission, other intergovernmental bodies and various expert groups on different areas of statistics; capacity-building projects; and publications and other technical materials on statistics and geospatial information. Non-quantifiable deliverables included providing advice, undertaking consultancies and maintaining multimedia and digital platforms. Most of UNSD deliverables were published on its public website, such as reports prepared for the sessions of the Statistical Commission,[3] information on meetings and workshops,[4] publications[5] and eLearning courses.[6] Given the lower risk of activities related to UNSD's normative work, the audit focused on its capacity-building activities.

iii.   Capacity-building activities

24.   During the audited period, UNSD implemented 66 capacity-building projects valued at $32 million. OIOS selected a sample of 17 projects valued at $15 million for detailed testing as shown in Table 2.

Table 2
2021 and 2022 UNSD activities and projects and audit sample coverage

	Number of projects	Budgeted project cost* $	Number of projects sampled	Budget of sampled projects $	Audit coverage
RPTC	41	1,187,226	9	434,861	37%
Development Account	8	5,650,460	3	3,435,856	61%
Extrabudgetary resources	17	25,461,623	5	11,179,283	44%
Total	**66**	**32,299,309**	**17**	**15,050,000**	**47%**

*Budgeted project cost for Development Account and extrabudgetary projects are stated on a multiannual basis.

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[3] https://unstats.un.org/UNSDWebsite/statcom/54

[4] https://unstats.un.org/UNSDWebsite/events/

[5] https://unstats.un.org/UNSDWebsite/Publications/

[6] https://unstats.un.org/UNSDWebsite/capacity-development/statistical-training/

a. Alignment with mandates and risk assessment

<u>UNSD capacity-building activities and projects were generally aligned with the mandate from the Statistical Commission</u>

25.   The need for projects and activities was adequately explained in the RPTC and Development Account proposals, other project planning documents and by interviewed UNSD project personnel. Capacity-building activities were executed by the UNSD sections or branches that were entrusted with the methodological and normative work of the Statistical Commission, thereby ensuring that UNSD remained aligned with its core business. Proposals submitted by substantive sections for RPTC and Development Account funding were discussed at section chiefs' meetings, and decisions on which proposals to submit to CDPMO for final approval were made by the UNSD Director and the chief of Statistical Capacity Management Section.

26.   The audit also concluded that the activities and projects were linked to the various decisions and reports by the Statistical Commission regarding capacity-building and technical assistance for national statistical offices, thereby increasing relevance, effectiveness, and impact of those activities. For example, in response to the Statistical Commission's request to "provide additional comprehensive guidelines and tools for countries" on SAE, UNSD launched a SAE4SDG Toolkit in March 2022 that provided information on methods to produce disaggregated data through SAE and key steps for countries to move from SAE experiments to official data production. Using RPTC funding, UNSD also coordinated with the Economic Commission for Latin America and the Caribbean and the United Nations Population Fund to develop an eLearning course on SAE.

<u>Risk assessment on accepting donor funding was not formally documented</u>

27.   UNSD had two main trust funds for donor contributions, 32XES and 32GBA, but did not carry out a formal activity-level risk assessment when accepting donor funding. Trust fund 32XES was managed by CDPMO and was used for extrabudgetary projects that had a capacity development component. Trust fund 32GBA was the General Trust Fund for Statistical Development and Capacity-Building to supplement the regular budget for implementing activities of UNSD.

28.   While historically most contributions were from Member States or international organizations such as the European Union or World Bank, the role of private donor funding, usually channeled through the United Nations Foundation, was increasing. For example, a project supported by UNSD to modernize an existing United Nations data portal (data.un.org) was mandated by the Statistical Commission and the data strategy of the Secretary-General with an estimated budget of $4.5 million until mid-2025. In June 2023, a grant of $4 million for this project from a large multinational technology company was accepted through the United Nations Foundation, without formally assessing and documenting potential risks of the donor's involvement in this project. Although risks were considered and discussed internally, they were not documented. Consequently, risks such as potential conflicts of interest and dependence on a single donor were not formally identified and mitigated. DESA stated that acceptance of voluntary contributions for all its trust funds was guided by guidelines promulgated by the Controller on 13 July 2022. These guidelines outline the vetting to be undertaken when accepting contributions from the private sector and other non-traditional donors. UNSD could consider properly documenting the process of vetting private sector donors based on the Controller's guidelines when accepting future funding.

b. Roles, responsibilities and coordination

<u>Roles and responsibilities in capacity-building activities and projects were generally clear and UNSD coordinated and collaborated with other partners to prevent duplication of efforts</u>

29.   The roles and responsibilities for activities and projects were generally clear, except for the coordinator role in the Development Account tenth tranche "Programme on Statistics and Data"[7] (DA10 project) for which there were no established terms of reference, resulting in a lack of accountability mechanisms. Based on lessons learned, terms of reference for a coordinator role were prepared for the subsequent Development Account fourteenth tranche (DA14) project.

30.   In all reviewed projects and activities UNSD coordinated and collaborated with regional economic commissions, other United Nations agencies directly or through the inter-agency expert groups of the Statistical Commission, resident coordinators, national statistical offices, and other partners to prevent duplication of efforts and in some cases to maximize the long-term sustainability of the project outcomes. For example, during the implementation of the Data For Now (Data4Now) initiative, UNSD hired local coordinators in Colombia and Senegal who substantially decreased the workload of the national statistical offices and resident coordinators, provided knowledge of the local context and ensured local presence when travel was not possible due to the COVID-19 pandemic.

<u>Some extrabudgetary funded projects did not have budgets for substantive coordination or administrative work</u>

31.   Three of the five donor-funded projects reviewed during the audit included a budget for hiring a dedicated resource to handle substantive coordination, while UNSD staff took up the coordination role for the remaining two projects. Managers of the two largest projects in the audit sample noted that they spent an extensive amount of time on administrative work, such as hiring consultants or travel arrangements, during project implementation. Most of such administrative project work could have been handled by general service level staff if such posts had been included in the project budget, leaving project managers to focus more on substantive aspects and enhance overall project efficiency and effectiveness. At the time of the audit, the Division did not accept donor-funded projects unless there was funding available for a post dedicated to substantive coordination, as their staff resources were already overextended. However, this was done at the discretion of the UNSD Director, with no documented guidelines and processes.

32.   All donor contributions attract programme support costs at the rates agreed with the donor. However, UNSD indicated that it did not have access to these funds, as they were used by the Organization to contribute to Secretariate-wide indirect costs such as enterprise information systems, central operational support and legal costs. UNSD could consider requesting the Executive Office and CDPMO to reach an agreement with the Controller on allocating some of the programme support costs to UNSD to support the substantive coordination and the administrative work across extrabudgetary projects.

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[7] DA10 project operated from August 2016 through April 2021 and aimed to: a) strengthen national statistical systems to respond to the data challenges of the 2030 Agenda, b) refine existing methodologies, tools and indicators and commence analysis that would inform the development of new statistical methodologies within the environmental, social and economic domains, and c) orchestrate the roll-out of a vigorous capacity development programme to support countries in improving statistical capacities to monitor indicators and targets in all data areas.

c. Selection of project target countries

<u>Criteria for selecting countries to participate in projects did not include the "leave no one behind" principle</u>

33.   Fifteen of the 17 reviewed capacity-building activities and projects were aimed at supporting specific regions or countries. Countries that did not participate in the funded activities and projects could still benefit from them to some extent through the availability of project-generated training materials, manuals, workshop recordings and presentations, and other resources on UNSD and project websites. During interviews, UNSD staff frequently mentioned that they considered the following factors when selecting countries to be supported: (a) willingness or expected appetite of the country to participate; (b) previous involvement of the country in similar project, for continuity; (c) expectation that the country will set a good example and the project would be successful; and (d) the country being a member of an expert group on the funded activity, so they could share their practices. In several cases, UNSD also consulted regional economic commissions when selecting countries to support. Donor priorities were also an important criterion when selecting countries for activities funded by extrabudgetary resources. The criteria based on which country selection decisions were made were, however, not documented.

34.   Also, the "leave no one behind"[8] principle, which is a central pillar in the DESA strategy for capacity development, was not explicitly applied in selecting countries for the reviewed projects. Discussions with UNSD staff indicated that this could be attributed to a low risk appetite culture in the Division. Firstly, there was a tendency to select countries with a proven track of successful project implementation to be able to maintain or attract subsequent donor funding and to leverage on the knowledge gained by, for example, the selected country later working with a regional economic commission and other countries in the region. Secondly, RPTC funding was limited and thus very competitive, and the more countries an RPTC activity proposal covered the higher the chances of the proposal being selected for funding. Countries lagging behind would typically need a more basic, resource-intensive and tailor-made capacity-building. Thirdly, for certain activities or projects, the country's national statistical system had to be operating at a certain level otherwise the UNSD intervention would not be successful.

35.   The template for Development Account project proposals required a short analysis on the "leave no one behind" principle. Nevertheless, the evaluation of the DA10 programme indicated that the target countries excluded some of the neediest countries, due to their limited capacity, and the report called for enhanced transparency in the selection of countries and projects, and for further outreach to the neediest countries to avoid leaving them behind. CDPMO added that neither RPTC nor Development Account funding had the aim or capacity to stay long-term in one country making it difficult to reach the most disadvantaged countries with the least capacity, infrastructure and experience. Lessons learned from the evaluation of DA10 were incorporated into the new DA14 project document for which preparatory work was ongoing at the time of audit, including selection of target countries.

36.   Nevertheless, since 2019, UNSD has supported 150 out of the 194 countries listed in their tracking spreadsheet through RPTC, Development Account or extrabudgetary projects. Most of the 44 countries not supported were developed countries. Other unsupported countries included Eritrea, Haiti, Micronesia (Federated States of), and several other small islands. UNSD was aware of the risk of leaving countries behind but stated that the issue remained a challenge to resolve.

> **(5)   DESA Statistics Division should improve on the selection of countries for participation in its activities and projects by: (a) documenting the rationale behind country selection; and**

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[8] "Leave no one behind" principle translates into a people-centred approach that addresses the multidimensional causes of poverty, inequality and exclusion and protects those affected by crises, conflicts and disasters as well as human rights, gender equality and women's empowerment.

> **(b) integrating the "leave no one behind" principle into the selection process to ensure transparency and a more inclusive approach to capacity-building efforts.**
>
> *DESA accepted recommendation 5 and stated that the institutional capability of a recipient country to receive capacity-building must remain an indispensable basic criterion for successful capacity building programmes.*

<u>The central demand repository was not consistently used to record country requests</u>

37.   In 2021, CDPMO reintroduced the central demand repository to track and make visible country demands or requests for DESA support. The repository would also show that there was buy-in by countries for the support provided and that they were not selected simply as a formality. However, there was no consistency around entering country requests or demands in the central repository. Only five RPTC activities and two of three Development Account projects sampled had a corresponding country demand recorded in the central repository. These five requests were recorded when the activity proposal was prepared, and not when the need was identified.

38.   The 2021 and 2022 sessions (fifty-second and fifty-third sessions) of the Statistical Commission took place virtually. Many countries submitted written statements for the Statistical Commission during these two virtual sessions. Some UNSD sections and staff analyzed the statements to support proposals for activities or to demonstrate the support of target countries for proposed projects. For example, the proposal for RPTC funding for a workshop on the implementation of national quality assurance frameworks for official statistics in countries of the African region was supported by a compilation of written statements from requesting countries. However, while other staff mentioned that they noted the needs or requests by countries for projects in the written statements, they did not summarize them and there was no evidence of how they were handled.

39.   Some UNSD staff indicated that they were not aware of the existence of the repository and others were not clear on who (person who receives the request or a section or a focal point), when and what type of country demand (request for a workshop, request for advice requested by email, advice provided on the phone) should be entered into the central repository, or its purpose. Several UNSD staff mentioned that they were receiving too many country requests informally and it was too time consuming to enter them all in the repository. Therefore, they entered the requests only when they believed that there was a fair chance of receiving funding from the Development Account or RPTC to address them, as UNSD had no resources, capacity or mandate to satisfy every country's request for assistance. Following the experience of the last two years, CDPMO introduced some changes, updated the user guide and planned to roll out training sessions on the use of the repository. Therefore, OIOS did not make a recommendation on this issue.

d. Project management

<u>Project methodologies were followed but financial closure of some projects was delayed</u>

40.   UNSD generally followed the monitoring and reporting procedures and arrangements as approved by the General Assembly (on the use of the Development Account) and applicable project methodologies of CDPMO and donors. Progress reports (including workshop, mission and consultants' reports, where applicable) and final reports were prepared. Regular monitoring meetings were also held between UNSD and donors. However, there were delays in the financial closure of some projects as unspent funds for three of the five completed extrabudgetary projects were not returned in a timely manner. In one case, the project closed on 31 December 2021, but it was only on 6 June 2022 that CDPMO requested United Nations Office for Project Services, which managed the grant funding, to close the project and return of unspent funds.

The second project closed on 30 September 2022, but at the time of the audit, the closing of the project was still in progress due to a technical issue. The third project closed on 31 December 2022, but at the time of audit the financial side was not yet closed due to pending returns of the outstanding funds from the two United Nations Development Programme offices[9] and one country. Timely and efficient completion of projects is essential for strengthening accountability and transparency. UNSD was actively following up on the pending returns; therefore, OIOS did not make a recommendation on this issue.

<u>Implementation rates and expenditure were monitored, but detailed analyses of project costs were not available</u>

41.   The implementation rate for RPTC activities was reasonable, except for two workshops that were held in December 2022. There were over-expenditures of 20 and 37 per cent, respectively, that were due to increases in the prices of flight tickets, and in the latter case, inviting more participants than originally planned.

42.   The implementation rate for two extrabudgetary projects was low due to the pandemic. One project closed with an implementation rate of 73 per cent as many events took place virtually instead of in-person. The second project had an implementation rate of 54 per cent, but the donor agreed to use the unspent funds for a major UNSD conference in April 2023, which increased the implementation rate to 86 per cent.

43.   CDPMO provided monthly expenditure reports to UNSD to monitor project expenditure. However, these reports did not include a detailed breakdown of costs per event, per project staff, per consultant, per travel and other relevant categories. Therefore, project managers were not able to review the reasonableness of costs that were charged to the projects. Various expenditure errors were identified at the end of one of the reviewed projects, which delayed closure of the project and impacted the final implementation rate. To respond to a donor request on the cost of each workshop conducted as part of another project, the UNSD project leader had to collect information directly from staff participating in the workshop mission, as it was not available in the monthly expenditure report. The UNSD Programme Management Unit stated that project managers had to define a structure of each project in Umoja at the start of the project and that CDPMO was able to provide any disaggregated information on project cost upon request. However, interviewed project managers were not able to provide more detailed financial information on their projects. Access to more detailed expenditure reporting would enable better monitoring and evaluation of project costs and facilitate preparation of project reports for donors by project staff.

> **(6)   DESA Statistics Division should develop requirements for standard reports and communicate financial reporting needs to the Capacity Development Programme Management Office to provide project managers with detailed breakdown of expenditure per event, per project staff, per consultant, and other relevant categories.**
>
> *DESA accepted recommendation 6 and stated that it was being implemented.*

<u>UNSD did not maintain adequate records</u>

44.   UNSD was not able to provide the requested information on all the sampled activities and projects in a timely manner because some project managers did not use SharePoint or other shared platforms to store project records. It was up to each section or project manager to organize their site on SharePoint. However, some records were kept in personal email or in personal folders of project staff instead of in SharePoint. For example, to retrieve donor approvals for changes in the work scope in one of the sampled projects, the

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[9] UNSD cooperates with the United Nations Development Programme to disburse payments in countries where UNSD cannot pay directly.

project manager had to contact staff members who had left UNSD. For another project, a staff member had kept the project records in OneDrive, which was deleted by the Office of Information and Communications Technology after the staff member separated from the Organization. DESA's retention policy, however, requires retaining UNSD records for 5 or 10 years, depending on the substantive area.

> **(7)** **DESA Statistics Division should implement procedures to ensure availability, adequate retention, easy retrieval and disposition of project records.**
>
> *DESA accepted recommendation 7.*

e. Measuring and assessing results

45.   The level of detail in defining the objectives of UNSD activities and projects and the extent of assessing their effectiveness varied depending on the source of funding.

<u>Inadequate measurement of objectives and expected results/indicators of achievement of RPTC activities</u>

46.   Proposals for all nine RPTC activities reviewed specified an objective, expected results and related indicators of achievement in compliance with the RPTC proposal template designed by CDPMO. However, the objectives were often too generally stated, such as "to strengthen national capacities in the supported area," while the related expected results and/or indicators of achievement were mostly not specific, measurable, achievable, relevant, and time-bound (SMART). For example, they were generally stated as: "improving knowledge and capacity of national statistical offices," "sharing good practices and exchanging national experiences," and "enhanced understanding and capacity." While CDPMO issued new guidelines and templates for planning and reporting on RPTC activities in April 2023, there was no specific reference to SMART criteria. When indicators are not SMART, it is not possible to measure their achievement effectively. UNSD planned to operationalize new guidelines soon.

47.   Apart from one of the sampled RPTC activities, UNSD did not measure or plan to measure achievement of stated objectives, expected results and indicators of achievement after completion of RPTC funded activities. Instead, UNSD focused on measuring immediate outputs such as consultants' deliverables (reports, presentations and videos), workshop and mission reports, and collection of feedback after in-person workshops. Generally, the standard feedback collection template focused on whether candidates had acquired substantive knowledge on the subject matter of the workshop and their experience in attending the workshop but not on any longer-term impact of activities.[10] Based on the preliminary information collected, interviewed UNSD staff concluded that they had met the activity objective in all completed RPTC activities. While OIOS acknowledges that measuring the effectiveness of RPTC activities was challenging, without adequate measurement, it would not be possible to conclude on their impact.

> **(8)** **DESA Statistics Division should provide further operational guidance on the newly issued guidelines for planning and reporting on activities funded by the regular programme of technical cooperation to ensure that their objectives are specific and clear, and that related expected results and indicators of achievement are specific, measurable, achievable, relevant and time bound.**
>
> *DESA accepted recommendation 8.*

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[10] One exception was regarding the national quality assurance frameworks for countries in the African region, on which UNSD conducted surveys in 2017 and 2022. These demonstrated how UNSD efforts had contributed to a higher implementation rate of the frameworks over the five years.

Completed extrabudgetary projects largely met their objectives, but they were not independently evaluated

48.   All five extrabudgetary projects reviewed had defined overarching objectives, which were further broken down into SMART indicators and outputs in three projects, while one project detailed more specific objectives and expected outputs. In addition, a project named "Statistical Capacity Development in China and other Developing countries" had an overarching objective and supplemental specific objectives for each of its workshops, which were conducted in 2021 and 2022.

49.   Three of the extrabudgetary projects reviewed were completed during the audit period and the final report of two of them measured and reported on the attainment of their objectives, outputs, and indicators in supported countries and on their sustainability. Although the third project delivered the expected outputs, there was no measurement of the overarching objective.

50.   The reporting on a project to strengthen the capacity of 20 countries in Africa and Asia to compile and use SDG indicators was particularly effective because, at the inception of the project, the donor and UNSD had developed a log frame specifying expected impact, outcome and outputs, and the respective indicators. The log frame was adjusted with the donor throughout the project period, considering external factors as well as changes to the project. The semi-annual reports, which later became annual progress reports, were accompanied by the updated log frames and provided a clear picture of the project progress. The reports described achieved outputs and outcomes in detail and the accompanying log frame spreadsheet provided a further breakdown of indicators by country. However, such a structured approach was not adopted for the other projects making it difficult to observe and conclude how planned projects outputs and outcomes changed over the time, what changes were agreed with the donor and whether the projects achieved their intended goals.

51.   At the time of the audit, none of the five extrabudgetary projects had undergone an independent evaluation. One of the ongoing projects had allocated a budget for an end of project evaluation, and while another project had also budgeted for an evaluation, it was dropped when the donor reduced the budget due to the pandemic. However, the donor was reviewing the project and except for 2018 when the project received a B rating,[11] it had received an A rating three times, followed by an A+ rating for the last two years of the project in 2021 and 2022. In a third project, the donor was not interested in evaluations.

52.   Several existing guidance require project-specific evaluation. These include the administrative instruction on evaluation in the United Nations Secretariat (ST/AI/2021/3), DESA's evaluation policy as well as its recently updated guidelines on the planning and management of capacity development project evaluations in DESA. The departmental guidelines encourage independent terminal evaluation for all multi-year DESA projects with a lifespan of two years or more and for projects with over $300,000 in donor funding or cost-sharing. However, UNSD only followed the donor requirements and did not develop any criteria such as project risk profile, size and complexity, to decide on how its extrabudgetary projects would be evaluated. DESA stated that UNSD will comply with the departmental guidelines. Therefore, OIOS did not make a recommendation on this issue.

The completed Development Account project was evaluated, largely met its objectives and lessons learned were incorporated in the subsequent project

53.   The project documents for the three Development Account projects reviewed, included objectives, outcomes, outputs and indicators of achievement. The common goal of the projects was to strengthen the statistical capacity of developing countries to measure, monitor and report on the SDGs in an accurate,

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[11] This score reflects not only the performance against the output and outcome indicators, but also the performance of UNSD as an implementing partner.

reliable and timely manner for evidence-based policymaking and implementation. Two of the projects placed added emphasis on the 2030 Agenda for Sustainable Development and COVID-19 response and recovery.

54.   Reports submitted for the two Development Account projects assessed progress against set outcomes, objectives and indicators of achievement, but there were difficulties in gathering information for DA10, due to inconsistent reports generated by multiple implementing entities. The third Development Account project started in 2022 and therefore it did not have any progress reports yet.

55.   UNSD commissioned mid-term and final programme-level independent evaluations of DA10, but the other two Development Account projects were still ongoing and had not yet been evaluated at the time of audit. Nevertheless, they were to be evaluated upon completion.

56.   The final evaluation report of DA10 noted that the project helped to increase the number of SDG indicators reported by Member States from an average of 96.8 in 2017 to 155.5 in 2021, through 603 activities that addressed reporting challenges faced by developing countries. However, the evaluation report also noted planning, monitoring and coordination challenges, which led to issues in the outcomes and outputs of the project. Lessons learned from the evaluation of DA10 were incorporated into the new project DA14 project document, for which preparatory work was ongoing at the time of audit.

IV.   ACKNOWLEDGEMENT

57.   OIOS wishes to express its appreciation to the management and staff of DESA for the assistance and cooperation extended to the auditors during this assignment.

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of activities of the Statistics Division in supporting countries to strengthen their national statistical systems

Rec. no.	Recommendation	Critical[12]/ Important[13]	C/ O[14]	Actions needed to close recommendation	Implementation date[15]
1	DESA Statistics Division should finalize and implement an action plan to address work-life balance issues identified by the staff engagement survey conducted in 2021.	Important	O	Receipt of an action plan to address work-life balance issues and evidence of its implementation.	30 June 2024
2	DESA Statistics Division should prepare an action plan to expedite recruitment processes for vacant positions and in the interim assign officers-in-charge for vacant chief posts in sections and branches to oversee activities.	Important	O	Receipt of an action plan to expedite recruitment processes for vacant positions and evidence of assigning interim officers-in-charge.	31 March 2024
3	DESA Statistics Division should set clear deadlines for staff completion of mandatory training and individual performance evaluations, provide regular reminders emphasizing their roles in professional development and organizational success, and ensure that managers at all levels are actively monitoring compliance within their respective teams.	Important	O	Receipt of evidence that staff have completed mandatory training and individual performance evaluations.	31 March 2024
4	DESA Statistics Division should enhance the annual planning process by ensuring all sections develop detailed work plans that include all tasks and activities to be performed, assigned staff and timeframes for their completion.	Important	O	Receipt of detailed work plans developed by UNSD sections.	31 March 2024
5	DESA Statistics Division should improve on the selection of countries for participation in its activities and projects by: (a) documenting the rationale behind country selection; and (b) integrating the "leave no one behind" principle into	Important	O	Receipt of evidence of improvement in the selection of countries for participation in UNSD activities and projects by documenting the rationale behind country selection and integrating	31 December 2024

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[12] Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

[13] Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

[14] Please note the value C denotes closed recommendations whereas O refers to open recommendations.

[15] Date provided by DESA in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of activities of the Statistics Division in supporting countries to strengthen their national statistical systems

Rec. no.	Recommendation	Critical[12]/ Important[13]	C/ O[14]	Actions needed to close recommendation	Implementation date[15]
	the selection process to ensure transparency and a more inclusive approach to capacity-building efforts.			the "leave no one behind" principle into the selection process.	
6	DESA Statistics Division should develop requirements for standard reports and communicate financial reporting needs to the Capacity Development Programme Management Office to provide project managers with detailed breakdown of expenditure per event, per project staff, per consultant, and other relevant categories.	Important	O	Receipt of a copy of the requirements for standard reports communicated to CDPMO and evidence of implementation.	31 March 2024
7	DESA Statistics Division should implement procedures to ensure availability, adequate retention, easy retrieval and disposition of project records.	Important	O	Receipt of evidence of procedures implemented to ensure availability, adequate retention, easy retrieval and disposition of project records.	30 June 2024
8	DESA Statistics Division should provide further operational guidance on the newly issued guidelines for planning and reporting on activities funded by the regular programme of technical cooperation to ensure that their objectives are specific and clear, and that related expected results and indicators of achievement are specific, measurable, achievable, relevant and time bound.	Important	O	Receipt of further operational guidance on the newly issued guidelines for planning and reporting on activities funded by RPTC.	30 June 2024

APPENDIX I

Management Response

TO: Ms. Fatoumata Ndiaye, Under-Secretary-General   DATE: 31 October 2023
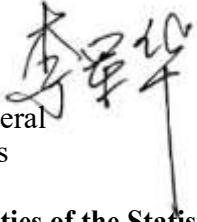A: for Internal Oversight Services

Mr. Byung-Kun Min, Director
Internal Audit Division, OIOS

REFERENCE: DESA-23/02429

THROUGH:
S/C DE:

FROM: LI Junhua, Under-Secretary-General
DE: for Economic and Social Affairs

SUBJECT: **<u>Draft report on an audit of activities of the Statistics Division in supporting countries to</u>**
OBJET: **<u>strengthen their national statistical systems (Assignment No. AN2022-540-01)</u>**

1.   I acknowledge receipt of the above draft report on your recently concluded audit of the Statistics Division of the Department of Economic and Social Affairs.

2.   The relevant members of my management team and I have carefully reviewed your findings and recommendations that aim to enhance the Department's on-going support to countries, especially those of developing countries, in strengthening their national statistical systems and capacities. This is an area of great concern to us if Member States are to effectively monitor their progress towards achieving the 17 Sustainable Development Goals and the promise of the 2030 Agenda for Sustainable Development.

3.   As requested, attached please find the completed table representing Management's response to the ten recommendations made in your report.

4.   I would also like to take the opportunity to provide additional comments on the report.

<u>Staffing issues</u>

5.   We recognize the need to expeditiously fill vacancies as prolonged vacancies have an impact on the effective and efficient delivery of our work programme as well as the staff who remain in the team and are expected to take on additional assignments while the post is being filled. We agree that this situation does have a negative impact on work and personal life balance of the staff as well as the managers.

6.   It is important to note that over the past three years, temporary hiring suspensions had to be implemented in 2020 and more recently this year due to the liquidity challenges faced by the Organization under the Regular Budget. Given that the Department's posts are predominantly funded from the Regular Budget, the impact of such suspensions, while understandable, cannot be ignored. In the current hiring suspension, only selections involving existing DESA staff have been permitted which results in the creation of another

vacancy either in the current or different work team. Thus, the Division's ability to fully implement recommendations 1 and 2 will be impacted by continued liquidity challenges that constraint the ability to fill vacancies with a mixture of internal and external candidates.

Acceptance of donor funding

7.   In paragraph 27, it would be inaccurate to refer to fund 32GBA as an "unearmarked General Trust Fund". As with most trust funds in the Secretariat, earmarked contributions from donors can and have been accepted under the terms of reference of this trust fund.

8.   There is also a reference in paragraph 27 of the acceptance of a grant of $4 million from a large multinational technology company to modernize the UN data portal. I would like to clarify that this grant was accepted by the UN Foundation and the funds are administered by them. Substantive support is being provided by the Statistics Division as requested by the Secretary-General under his UN Data Strategy.

9.   I would also like to refer to the guidelines for the acceptance of voluntary contributions promulgated by the UN Controller in July 2022 (Attachment 1). The Department is guided by these in accepting voluntary contributions. Having the Statistics Division develop additional guidelines would be duplicative. If OIOS considers the corporate guidelines inadequate, it would be more appropriate to direct the recommendation to the Office of Programme Planning, Finance and Budget (OPPFB), DMSPC to ensure consistency in their application across all Secretariat entities who receive donor funding.

Criteria for evaluations of extrabudgetary projects

10.   The Capacity Development Programme Management Office (CDPMO) of DESA has recently updated the departmental guidelines for planning and managing evaluations of capacity development projects (Attachment 2). Section 1.2 includes criteria on when independent evaluations should be conducted.

11.   It would be duplicative for the Statistics Division to develop its own criteria as indicated in recommendation 10. All DESA divisions will ensure that they observe the departmental guidance and evaluation policy.

12.   I welcome any feedback on the comments provided above and in the attached Management Response table. DESA and the Statistics Division in particular are committed to the timely implementation of all accepted OIOS recommendations arising from this audit.

cc: Mr. Stefan Schweinfest
     Ms. Youlia Antonova
     Mr. Ralf Becker
     Mr. Charles Katoanga
     Mr. Haitian Lu
     Mr. Mario Tuason
     Mr. Jeffrey Lin

Management Response

Audit of activities of the Statistics Division in supporting countries to strengthen their national statistical systems

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	DESA Statistics Division should finalize and implement an action plan to address work-life balance issues identified by the staff engagement survey conducted in 2021.	Important	Yes	Director	30 June 2024	The results of the 2023 Staff Engagement Survey to be conducted in late 2023 may also inform the implementation of this recommendation.
2	DESA Statistics Division should prepare an action plan to expedite recruitment processes for vacant positions and in the interim assign officers-in-charge for vacant chief posts in sections and branches to oversee activities.	Important	Yes	Director	31 March 2024	The full implementation of the action plan developed will also depend also on the status of the temporary suspension of hiring currently in place for positions funded from the Regular Budget.
3	DESA Statistics Division should set clear deadlines for staff completion of mandatory training and individual performance evaluations, provide regular reminders emphasizing their roles in professional development and organizational success, and ensure that managers at all levels are actively monitoring compliance within their respective teams.	Important	Yes	Director	31 March 2024	
4	DESA Statistics Division should enhance the annual planning process by ensuring all sections develop detailed work plans that include all tasks and activities to be	Important	Yes	Branch and Section Chiefs	31 March 2024	Flexibility to adjust for (frequent) staffing and programme changes must be maintained.

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[1] Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

[2] Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Management Response

Audit of activities of the Statistics Division in supporting countries to strengthen their national statistical systems

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	performed, assigned staff and timeframes for their completion.					
5	DESA Statistics Division should establish guidelines and criteria for accepting extrabudgetary and donor funding, particularly for large-scale projects, including an assessment of risks to ensure a standardized approach and properly documented process for accepting future funding.	Important	No			DESA's acceptance of voluntary contributions for all of its trust funds is guided by guidelines promulgated by the UN Controller on 13 July 2022. Section 3(a) outlines the vetting needed to be undertaken when accepting contributions from private sector and other non-traditional donors. If OIOS considers these guidelines inadequate, the recommendation may be better addressed to OPPFB since the risks indicated in the recommendation is applicable across all Secretariat entities that accept donor funding.
6	DESA Statistics Division should improve on the selection of countries for participation in its activities and projects by: (a) documenting the rationale behind country selection; and (b) integrating the "leave no one behind" principle into the selection process to ensure transparency and a more inclusive approach to capacity-building efforts.	Important	Yes	Branch and Section Chiefs	31 December 2024	The institutional capability of a recipient country to receive capacity building must remain an indispensable basic criterium for successful capacity building programmes.
7	DESA Statistics Division should develop requirements for standard reports and communicate financial reporting needs to the Capacity Development Programme	Important	Yes	Director in collaboration with CDPMO	31 March 2024	To clarify, activity-based financial reporting is already being implemented to the extent the project structure in Umoja is created

Management Response

Audit of activities of the Statistics Division in supporting countries to strengthen their national statistical systems

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	Management Office to provide project managers with detailed breakdown of expenditure per event, per project staff, per consultant, and other relevant categories.					reflecting the project document and reporting needs. Because different projects have different reporting needs they are not generated as standard monthly report but are generated on project managers' demand.
8	DESA Statistics Division should implement procedures to ensure availability, adequate retention, easy retrieval and disposition of project records.	Important	Yes	Director	30 June 2024	
9	DESA Statistics Division should provide further operational guidance on the newly issued guidelines for planning and reporting on activities funded by the regular programme of technical cooperation to ensure that their objectives are specific and clear, and that related expected results and indicators of achievement are specific, measurable, achievable, relevant and time bound.	Important	Yes	Branch Chief, Data Innovation and Capacity Branch	30 June 2024	
10	DESA Statistics Division should develop criteria for the evaluation of extrabudgetary projects based on their risk profile, size and complexity, and incorporate provisions for evaluations in relevant documents of projects meeting these criteria.	Important	No			CDPMO has recently updated the Departmental Guidelines on the Planning and Management of Capacity Development Project Evaluations. Criteria for conducting evaluations are indicated in section 1.2 on applicability of the guidelines. The Statistics Division will comply with the departmental Guidelines.