



INTERNAL AUDIT DIVISION

AUDIT REPORT 2013/118

Audit of the United Nations Regional Office for Central Africa

Overall results relating to the effective management of substantive and administrative operations of the United Nations Regional Office for Central Africa were initially assessed as partially satisfactory. Implementation of four important recommendations remains in progress

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

9 December 2013

Assignment No. AP2013/645/01

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AUDIT REPORT

Audit of the United Nations Regional Office for Central Africa

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Regional Office for Central Africa (UNOCA).

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. UNOCA, headed by a Special Representative of the Secretary-General, was established in Libreville, Gabon to: (a) cooperate with and assist the Economic Community of Central Africa States, the Central African Economic and Monetary Community, the International Conference on the Great Lakes Region, the Economic Community of the Great Lakes Countries and other key partners, in promoting peace and stability in the broader Central African sub-region; (b) carry out good offices and special assignments in countries of the sub-region in the areas of conflict prevention and peace building; (c) strengthen the capacity of the Department of Political Affairs to advise the Secretary-General on matters relating to peace and security in the sub-region; and (d) promote an integrated sub-regional approach and facilitate coordination and information exchange. Additionally, the Secretary-General transferred the Secretariat functions of the United Nations Standing Advisory Committee on Security Questions in Central Africa to UNOCA.

4. UNOCA budgets for 2012 and 2013 were \$4.4 million and \$6.2 million, respectively. During 2012 and 2013, UNOCA had 27 approved posts including 19 international and eight national posts.

5. Comments provided by UNOCA and the Department of Safety and Security (DSS) are incorporated in italics.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of UNOCA governance, risk management and control processes in providing reasonable assurance regarding the **effective management of substantive and administrative operations of UNOCA**.

7. The audit was included in the 2013 OIOS risk-based work plan due to the operational and reputational risks of not achieving its mandate.

8. The key controls tested for the audit were: (a) risk management and strategic planning; (b) coordinated management; and (c) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:

- (a) **Risk management and strategic planning** – controls that provide reasonable assurance that risks relating to UNOCA are identified and assessed, and that action is taken to mitigate or anticipate risks.

(b) **Coordinated management** – controls that provide reasonable assurance that potential overlaps in the performance of a function or the delivery of a programme are mitigated, and that issues affecting or involving other United Nations partners and actors are identified, discussed and resolved in a timely manner and at the appropriate forum.

(c) **Regulatory framework** – controls that provide reasonable assurance that policies and procedures: (i) exist to guide UNOCA financial and administrative operations; (ii) are implemented consistently; and (iii) ensure reliability and integrity of financial and operational information.

9. The key controls were assessed for the control objectives shown in Table 1. Certain control objectives (shown in Table 1 as “Not assessed”) were not relevant to the scope defined for this audit.

10. OIOS conducted this audit from March to June 2013. The audit covered the period from 1 March 2011 to 31 December 2012.

11. 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

12. The UNOCA governance, risk management and control processes examined were initially assessed as **partially satisfactory** in providing reasonable assurance regarding the **effective management of substantive and administrative operations of UNOCA**. OIOS made six recommendations to address the issues identified. UNOCA was cooperating with and assisting key partners in the broader Central African region and had improved its recruitment and vacancy management process. Also, subsequent to the audit, UNOCA took action to establish adequate arrangements for its local procurement of goods and services, and to improve safeguards over confidential documents. However, UNOCA needed to ensure that: (a) clear links were established between its planned outputs and strategic objectives and between its planned activities and main priorities; (b) staff took mandatory training courses; (c) the locations of assets were properly reflected in the Galileo Inventory Management System (Galileo); and (d) there was adequate oversight of the safety and security of its staff and premises.

13. The initial overall rating was based on the assessment of key controls presented in Table 1. The final overall rating is **partially satisfactory** as implementation of four important recommendations remains in progress.

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 substantive and administrative operations of UNOCA	(a) Risk management and strategic planning	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
	(b) Coordinated management	Satisfactory	Not assessed	Not assessed	Satisfactory
	(c) Regulatory framework	Partially satisfactory	Partially satisfactory	Satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A. Risk management and strategic planning

A more detailed work plan with better links to strategic objectives was needed

14. For 2012 and 2013, UNOCA developed work plans that included activities such as forums and working level meetings, as well as timetables for producing deliverables and outputs. However, there were no clear links between UNOCA planned outputs, strategic objectives, planned activities, and main priorities. For example, the UNOCA priority to address youth unemployment was not reflected in the work plan for the first half of 2013. The work plan also did not include detailed information on outputs, such as monthly thematic reports, or benchmarks for monitoring the achievement of priorities. The lack of clear links between planned activities and main priorities reduced the ability of UNOCA to fully achieve its mandate.

(1) UNOCA should ensure that there are links in its annual work plan between planned outputs, strategic objectives, planned activities, and main priorities, and there are benchmarks for monitoring progress in the implementation of work plans.

UNOCA accepted recommendation 1 and stated that it was preparing a framework for developing its work plans. Recommendation 1 remains open pending receipt of a copy of the UNOCA work plan for 2014 that include links between UNOCA planned outputs, strategic objectives, planned activities, and main priorities and there are measurable benchmarks to monitor progress.

B. Coordinated management

Adequate coordination mechanisms were in place

15. UNOCA adequately coordinated its activities with regional players in compliance with its mandate. For example UNOCA: (a) provided secretariat services to United Nations Standing Advisory Committee on Security Questions in Central Africa and established a joint work programme with the Economic Community of Central Africa States; (b) met with regional players such as the African Development Bank, European Union, Economic Community of Central Africa States, the World Bank and the International Labor Organization to discuss issues of mutual interest such as youth unemployment; (c) participated in the annual meetings, held in November each year, of the United

Nations entities operating in the region to discuss and share information; and (d) participated in all United Nations Country Team meetings and in Security Management Team meetings.

C. Regulatory framework

Recruitment and vacancy management processes had improved

16. The Department of Field Support (DFS) was responsible for recruiting international staff on behalf of UNOCA. To expedite the recruitment process, UNOCA needed to plan staffing requirements and promptly notify DFS to initiate actions to fill vacant posts. However, this was not always done, contributing to delays in the recruitment process. As a result, UNOCA did not have adequate staff to carry out its substantive and support functions (i.e. political affairs, personnel, budget and finance and general services). For example, the two senior positions in the Political Affairs Section had been vacant for up to six months. In addition, the Security Officer retired in April 2013 as expected without the recruitment of his successor being completed. The recruitment delays reduced the ability of UNOCA to implement its mandated activities and support functions effectively. For example, due to a vacancy, the Political Affairs Section was unable to produce monthly thematic country analytical reports. UNOCA had taken action to fill the vacancies; therefore, OIOS did not make a recommendation to address the identified issues.

Planning and monitoring of training was inadequate

17. UNOCA had no training budget and did not make full use of training opportunities available within the Organization to ensure that all staff were adequately trained to carry out their functions. Additionally, UNOCA did not have readily available information on external and internal training undertaken by staff during the period from 1 January 2012 to 31 March 2013. Therefore, OIOS could not determine whether all staff took mandatory courses such as Basic Security in the Field and Integrity Awareness Initiative and that training opportunities were equitably provided to staff.

(2) UNOCA should implement appropriate procedures to ensure that staff take all mandatory training courses and take advantage of other training opportunities available within the Organization to augment their skills and ensure equitable distribution of training opportunities.

UNOCA accepted recommendation 2 and stated that it: (a) had issued a circular reminding staff to complete all mandatory training courses; and (b) was finalizing a training programme for national staff. Recommendation 2 remains open pending receipt of evidence that UNOCA is monitoring staff compliance with mandatory training requirements, and a copy of the training programme developed for national staff members.

Procurement arrangements were inadequate

18. In May 2011, DFS sub-delegated its authority for procurement on behalf of UNOCA to the United Nations Global Service Centre, under a pilot phase of an arrangement called the Comprehensive Operational Mission Procurement and Acquisition Support Service. DFS acknowledged that it may not be feasible for the United Nations Global Service Centre to support all of UNOCA procurement requirements during this pilot phase, particularly in the area of local service contracts. DFS therefore informed the United Nations Global Service Centre that it was working on a proposal, in consultation with UNOCA, to have the Assistant Secretary-General of the Office of Central Support Services arrange local procurement services to be provided by the United Nations Development Programme (UNDP). At the time of audit, no arrangements had been established with UNDP to conduct local procurement on

behalf of UNOCA. As a result, although the United Nations Global Service Centre continued assisting UNOCA with its local procurement, this was not always effective. For example, the United Nations Global Service Centre was still in the process of developing the solicitation documents for the procurement of vehicle maintenance and repair services initiated in May 2012. In the interim, short-term contractors provided vehicle maintenance services to UNOCA. Due to the lack of a long-term contract, four of the 12 UNOCA vehicles were not functional, reducing transportation capacity.

(3) UNOCA, in consultation with the Department of Field Support, should establish appropriate arrangements to ensure that its local procurement needs are met.

UNOCA accepted recommendation 3 and stated that it had consulted with DFS and the United Nations Global Service Centre. The proposal for UNDP to provide local procurement support was no longer feasible. As a result, UNOCA and United Nations Global Service Centre had taken action to improve procurement arrangements and a contract for vehicle maintenance and repair services was established in November 2013. In addition, national procurement officers attended training in November 2013 to strengthen the local procurement capacity. Based on the action taken by UNOCA, recommendation 3 has been closed.

Property management needed improvement

19. At the time of the audit, UNOCA had 311 plant and equipment items valued at \$1.4 million of which, items valued at \$15,284 were pending write-off. The value of inventory was \$292,039. UNOCA had completed a physical inventory of plant and equipment in October 2012. UNOCA used Galileo to record and monitor assets and retrieved data from the system using the Business Objects Module.

20. UNOCA had difficulties finding 9 of the 11 items of plant and equipment that were reviewed by OIOS due to unclear location descriptions in Galileo and disorganized storage facilities. Also, the Business Objects Module report erroneously showed that a number of items valued at \$430,000 were still assigned to a former UNOCA staff member. UNOCA had taken action to address this error.

(4) UNOCA should ensure that the locations of assets in Galileo match the actual physical locations of those assets and the storage facilities are better organized.

UNOCA accepted recommendation 4 and stated that it had updated the physical locations of 94 per cent of its inventory in Galileo. Recommendation 4 remains open pending receipt of evidence that Galileo records have been adequately updated, and storage facilities have been properly organized.

Handling of classified information was inadequate

21. The United Nations policy on information sensitivity, classification and handling (ST/SGB/2007/6) required the protection of sensitive, classified information. However, UNOCA did not implement adequate measures to safeguard such information. For example, all incoming code cables including those identified as confidential were kept in one binder in an unlocked cabinet. Similarly, outgoing code cables including those identified as confidential were filed together in an unlocked cabinet.

(5) UNOCA should implement measures to ensure that confidential, classified information is adequately protected in compliance with the applicable United Nations policy.

UNOCA accepted recommendation 5 and stated that confidential documents were being stored in secured cabinets. A circular was also issued to staff members outlining procedures for

disseminating confidential documents. Based on the action taken by UNOCA, recommendation 5 has been closed.

[Redacted]

[Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

[Redacted]

IV. ACKNOWLEDGEMENT

23. OIOS wishes to express its appreciation to the Management and staff of UNOCA and DSS 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 Regional Office for Central Africa

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNOCA should ensure that there are links in its annual work plan between planned outputs, strategic objectives, planned activities, and main priorities and there are benchmarks for monitoring progress in the implementation of work plans.	Important	O	Receipt of a copy of the UNOCA work plan for 2014 that include links between UNOCA planned outputs, strategic objectives, planned activities, and main priorities and there are measurable benchmarks to monitor progress.	Second quarter of 2014
2	UNOCA should implement appropriate procedures to ensure that staff take all mandatory training courses and take advantage of other training opportunities available within the Organization to augment their skills and ensure equitable distribution of training opportunities	Important	O	Receipt of evidence that UNOCA is monitoring staff compliance with mandatory training requirements, and a copy of the training programme developed for national staff members.	Fourth quarter of 2013
3	UNOCA in consultation with the Department of Field Support, should establish appropriate arrangements to ensure that its local procurement needs are met.	Important	C	Action taken.	Implemented
4	UNOCA should ensure that the locations of assets in Galileo match the actual physical locations of those assets and the storage facilities are better organized	Important	O	Receipt of evidence that Galileo records have been updated, and storage facilities have been organized.	Fourth quarter of 2013

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.

³ C = closed, O = open

⁴ Date provided by UNOCA and DSS in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Regional Office for Central Africa

Recom. no.	Recommendation	Critical ⁵ / Important ⁶	C/ O ⁷	Actions needed to close recommendation	Implementation date ⁸
5	UNOCA should implement measures to ensure that confidential, classified information is adequately protected in compliance with the applicable United Nations policy.	Important	C	Action taken	Implemented

⁵ 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.

⁶ 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.

⁷ C = closed, O = open

⁸ Date provided by UNOCA and DSS in response to recommendations.

APPENDIX I

Management Response



CONFIDENTIAL

Routine

TO: Ms. Eleanor Burns, Chief
A: Peacekeeping Audit Service,
Internal Audit Division, OIOS

DATE: NOV 22 2013

REFERENCE: 2013-UNHQ-022550.01

THROUGH:

S/C DE:

FROM: Anthony Banbury, Assistant Secretary-General
DE: Department of Field Support

A handwritten signature in blue ink, appearing to be 'A. Banbury'.

SUBJECT: **AP2013/645/01 - Audit of the United Nations Regional Office for Central
OBJET: Africa**

1. I refer to your memorandum dated 1 November 2013 regarding the above-mentioned audit. Please find attached our comments on the recommendations and issues contained in the report. In formulating our response, we have conferred with the respective officials in DFS, DPA, DSS and UNOCA and their comments, where appropriate, have been incorporated in this reply.
2. Thank you for the opportunity to comment on the draft report. We stand ready to provide any further information that may be required.

cc: Mr. Vasyl Sydorenko
Mr. Darko Mocibob
Ms. Anne Marie Pinou
Ms. Anna Halasan

Management Response

Audit of the United Nations Regional Office for Central Africa

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNOCA should ensure there are links in the annual work plan between planned outputs and UNOCA strategic objectives and between planned activities and main priorities of the Special Representative of the Secretary-General and benchmarks for monitoring progress in the implementation of work plan.	Important	Yes	Chief of Staff	Second quarter of 2014	UNOCA's comments are reflected in the report. The Mission does not have any further comments.
2	UNOCA should implement appropriate procedures to ensure that staff take all mandatory training courses and take advantage of other training opportunities available within the Organization to augment their skills and ensure equitable distribution of training opportunities.	Important	Yes	Human Resources Officer	Fourth quarter of 2013	UNOCA issued an Information Circular informing staff of the requirement to complete mandatory training courses. The Mission is in the process of finalizing the training plan for national staff. A copy of the Circular was provided to OIOS under a separate cover.
3	UNOCA, in consultation with the Department of Field Support, should establish appropriate arrangements to ensure that its local procurement needs are met.	Important	Yes	N/A	Implemented	UNOCA has consulted with DFS and the United Nations Global Service Centre (UNGSC) to address the deficiencies identified by the audit. The proposal for UNDP to provide local procurement support was not found feasible and instead, UNGSC and UNOCA took action to improve the procurement arrangements in

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 Regional Office for Central Africa

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						place. Accordingly, the procurement process for vehicle maintenance and repair services was finalized and the contract signed in November 2013. In order to strengthen local procurement capacity, the National Procurement Officer (NPO) attended training at UNGSC in November 2013 to improve skills on the processing of local procurement actions. A copy of the contract and evidence of the NPO attendance of the training were provided to OIOS under a separate cover.
4	UNOCA should ensure that the locations of assets in Galileo match the actual physical locations of those assets and the storage facilities are better organized.	Important	Yes	Property Management Assistant	Fourth quarter of 2013	Currently, the physical locations of 94 per cent of UNOCA inventory have been updated in Galileo Inventory Management system. The remaining 6 per cent will be updated by the fourth quarter of 2013.
5	UNOCA should implement measures to ensure that confidential, classified information are adequately protected in compliance with the applicable United Nations policy.	Important	Yes	N/A	Implemented	The recommendation has been implemented. UNOCA has identified lockable cabinets which are now used for storage of all confidential documents. In addition, the Mission issued an Information Circular on 2 September 2013 outlining the procedure for disseminating confidential documents. A copy of the Information Circular was provided to OIOS under a separate cover.

Management Response**Audit of the United Nations Regional Office for Central Africa**

Rec. no.	Recommendation	Critical¹/ Important²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						