



INTERNAL AUDIT DIVISION

REPORT 2023/013

Audit of the United Nations Office on Drugs and Crime Regional Office for Central Asia

**There is need to strengthen some aspects of
performance monitoring, programme
management, procurement and information
and communications technology**

26 April 2023

Assignment No. AE2022-360-01

Audit of the United Nations Office on Drugs and Crime Regional Office for Central Asia

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Office on Drugs and Crime (UNODC) Regional Office for Central Asia (ROCA). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring effective management of UNODC operations in the Central Asia region. The audit covered the period from January 2020 to August 2022 and included a review of risk areas relating to: (a) strategic planning and performance reporting; (b) programme management; and (c) compliance with applicable policies and procedures on procurement, financial management, travel, human resources management, information technology, security, and asset management.

ROCA's engagement in the Central Asia region was visible and appreciated by stakeholders. Some aspects of performance monitoring, programme management, procurement and information and communications technology needed to be strengthened.

OIOS made 12 recommendations. To address issues identified in the audit, ROCA needed to:

- Ensure that annual output indicators and targets are defined; and the activities of the Regional Programme for Afghanistan and Neighbouring Countries implemented in the Central Asia region are incorporated in its annual programme progress reports;
- Strengthen the tools and mechanisms for collecting and analyzing data on training activities;
- Develop an action plan to address the gaps in data identified in the data surveys conducted in 2022;
- [REDACTED]
- Strengthen its arrangements for monitoring the closure of completed projects, and ensure that residual funds are cleared and where applicable re-assigned to other activities in a timely manner;
- Review and strengthen its structure by: defining coordination mechanisms with the Regional Programme for Afghanistan and Neighbouring Countries; and consulting with the Division for Management to identify opportunities to improve its mix of staff and service contractors;
- Identify temporary measures to mitigate the risks associated with the lack of annual salary surveys for service contractors;
- Identify opportunities for consolidating the acquisitions of recurring purchases and establishing system contracts; and ensure that staff are held accountable for knowingly splitting requirements;
- Assess risks to its premises and the nature of insurance coverage needed; and
- [REDACTED]

UNODC needed to:

- Define the roles and responsibilities and relevant coordination mechanisms for supporting the Southern Caucasus countries under the new field office network structure approved in 2022; and
- Share best practices and guide field offices regarding the operationalization of the United Nations Human Rights Due Diligence Policy.

UNODC and ROCA accepted the recommendations and have initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

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Audit of the United Nations Office on Drugs and Crime Regional Office for Central Asia

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Office on Drugs and Crime (UNODC) Regional Office for Central Asia (ROCA).

2. ROCA was established in 1993 and is mandated to cover the five countries in Central Asia: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. In addition, since 1996 ROCA has been the UNODC focal point for the three Southern Caucasus countries: Azerbaijan, Armenia, and Georgia. ROCA is headquartered in Tashkent, Uzbekistan and has seven programme offices in the region including two in Kazakhstan and one each in Kyrgyzstan, Tajikistan, Turkmenistan, Azerbaijan, and Georgia.

3. The strategic plan for ROCA was outlined in the 2022-2025 UNODC Programme for Central Asia (2022-2025 Programme). The main objective of the 2022-2025 Programme is to promote a healthy, safe, and secure community, free from the threats posed by organized crime and drug use and confident in the integrity of the justice system to provide access to services for all. The 2022-2025 Programme had five sub-programmes as shown in Table 1. Four of the sub-programmes (1,2,3 and 5) were also in the previous UNODC Programme for Central Asia (2015-2021 Programme).

Table 1: 2022-2025 sub-programmes

Sub-programme	Description
1	Preventing and Countering Transnational Organized Crime
2	Preventing Crime, Increasing Access to Justice, and Strengthening the Rule of Law
3	Addressing Drug Use, Increasing Treatment of Drug Use Disorders, and Preventing HIV/AIDS
4	Preventing and Countering Terrorism, Violent Extremism, and Radicalisation
5	Supporting Research, Trend Analysis, Policy, Advocacy, and Forensic

4. Both the 2015-2021 and 2022-2025 Programmes were implemented through two key vehicles: (i) country and regional projects; and (ii) components of UNODC headquarters' global programmes. In addition, some activities of the Regional Programme for Afghanistan and Neighbouring Countries were implemented in the Central Asia region.

5. The total budget for the 2015-2021 programme of work was \$70 million and total expenditure was \$87.6 million (average of around \$12.5 million per year).

Table 2: 2015-2021 expenditure by vehicles of implementation

	Country and regional projects	Global programmes	Afghanistan and Neighbouring Countries Programme activities	Total
Actual Expenditure (\$ million)	57.4	21.3	8.9	87.6

6. The budget for the 2022-2025 programme of work was \$90 million (an average of about \$22.5 million per year) which represented an increase of 80 per cent over the average annual budget for the 2015-2021 Programme.

7. ROCA was headed by a Representative at the P-5 level. As of November 2022, it had a workforce of 145 comprising of 18 professional staff, 10 general service staff, 5 United Nations Volunteers and 112 service contractors.

8. Comments provided by UNODC and ROCA are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

9. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring effective management of UNODC operations in the Central Asia region.

10. This audit was included in the 2022 risk-based work plan of OIOS due to the risk that potential weaknesses in the management of ROCA operations could adversely affect implementation of UNODC's mandate in the Central Asia region.

11. OIOS conducted this audit from September to December 2022. The audit covered the period from January 2020 to August 2022. Based on an activity-level risk assessment, the audit covered risk areas relating to: (a) strategic planning and performance reporting; (b) programme management; and (c) compliance with applicable policies and procedures on procurement, financial management, travel, human resource management, information technology, security, and asset management.

12. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) sample testing.

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

III. AUDIT RESULTS

A. Strategic planning and performance reporting

UNODC engagement in the Central Asia region was visible and appreciated by stakeholders

14. There were several geopolitical and health issues that affected the region ROCA is mandated to cover including the conflict in Ukraine, the war in Afghanistan, and the impact of the COVID-19 pandemic. Despite these challenges, ROCA expanded its project portfolio, rolled out the 2022-2025 Programme with consensus from its stakeholders, and successfully engaged with new donors. Governance arrangements were in place including a Programme Steering Committee which met annually to provide guidance and oversight at the regional level, and country meetings which were held to discuss results under each sub-programme. ROCA's annual performance reports showed that it was achieving its goals.

15. ROCA's website and social media platforms were regularly updated with information on UNODC's engagement in Central Asia and Southern Caucasus countries and there were several presentations and promotional materials of its activities for all programme areas. All stakeholders interviewed including donors, partners, national counterparts, and other United Nations agencies acknowledged ROCA's footprint in the Central Asia region and considered it to be a reliable partner. ROCA was integrated in the United Nations Country Teams in the region and led some of the pillars related to its mandate. ROCA was also successful in mobilizing resources and there was evidence that it was expanding its donor base. ROCA raised more than the \$70 million targeted in the 2015-2021 Programme

and as of November 2022 had already secured \$19.3 million towards the \$90 million targeted in the 2022-2025 Programme. The 2015-2021 Programme portfolio was largely dependent on two main donors who contributed around 80 per cent of the funds while the funds secured for the 2022-2025 Programme included a larger number of donors.

Need to clarify ROCA's role in the Southern Caucasus region

16. ROCA's role as the UNODC focal point for Southern Caucasus countries was reflected in the UNODC approved field network structure issued in 2013 (UNODC field network structure and nomenclature guidance note). At the time of the audit, ROCA was in the process of signing individual roadmaps of cooperation between UNODC and the three Southern Caucasus countries with the first one having been signed in September 2022. ROCA was also a signatory of the United Nations Sustainable Development Cooperation Framework for the three Southern Caucasus countries. ROCA's website reflected UNODC engagements in the three Southern Caucasus countries and its focal point responsibilities were reflected in the United Nations Information website for Georgia and Armenia.

17. However, the Southern Caucasus countries were not reflected under ROCA in the updated field network structure which was approved by the UNODC Executive Committee in October 2022 and endorsed by the Executive Director in December 2022 (UNODC's Field Office Network – Updated Typologies). This generated uncertainty about ROCA's role and mandate in the Southern Caucasus region. UNODC explained that it is foreseen that ROCA will continue to support the Southern Caucasus region in tandem with the political lead of the UNODC headquarters Regional Section for Europe, West and Central Asia. OIOS is of the view that UNODC needs to formally define the roles and responsibilities for supporting the Southern Caucasus countries under the updated field network structure to avoid uncertainties about ROCA's role, which could affect its effectiveness. Clarifying the roles and responsibilities is also necessary so that coordination mechanisms needed can be assessed and established.

(1) UNODC should formally define the roles and responsibilities and relevant coordination mechanisms for supporting the Southern Caucasus countries under the new field office network structure approved in 2022.

UNODC accepted recommendation 1 and stated that it will share communication which aims at defining the ways to provide coordinated support to the Southern Caucasus countries.

Need to improve some aspects of the annual programme progress reports

18. Both the 2015-2021 and the 2022-2025 Programmes had results logical frameworks including outcomes, outputs, activities, indicators, and risks for each sub-programme. ROCA also had an updated enterprise risk register and had successfully mainstreamed risk analysis at the various stages of its planning and reporting processes and in individual projects. The Integrated Planning, Management and Reporting solution (IPMR) in Umoja which was launched in 2021 is the results-based management tool adopted by the United Nations Secretariat to record planned technical cooperation activities and report on results. At the end of the year, the IPMR allows offices to extract the Annual Programme Progress Report which facilitates monitoring of progress achieved.

19. ROCA appropriately recorded the expected outcome, outputs, activities, and indicators in the IPMR. However, review of the 2021 records showed that the Afghanistan and Neighbouring Countries Programme activities implemented in Central Asia were not reflected in the IPMR and the Annual Programme Progress Report. This meant that the Annual Programme Progress Report did not present a complete picture of UNODC's interventions in the Central Asia region as expected. Further, ROCA only identified the end of four-year cycle indicators of achievement in its IPMR and had not defined annual

output indicators (intermediate indicators). Intermediate indicators are necessary to facilitate effective monitoring throughout the implementation cycle. UNODC explained that the implementation of IPMR was still in transition, and it had not yet focused on the use of intermediate indicators.

- (2) The UNODC Regional Office for Central Asia should ensure that: (a) annual output indicators and targets are defined; and (b) the activities of the Regional Programme for Afghanistan and Neighbouring Countries implemented in the Central Asia region are incorporated in its annual programme progress reports.**

UNODC accepted recommendation 2 and stated that ROCA will develop annual output indicators and targets and will integrate them into IPMR. The 2022 ROCA IPMR report already benefits from the Regional Programme for Afghanistan and Neighbouring Countries inputs (where relevant), and ROCA will continue to incorporate such inputs in future reports.

Need to strengthen mechanisms for collecting and analyzing data on training activities

20. Training is one of the key deliverables in ROCA. In 2021, ROCA implemented 224 training events involving 7,405 participants. ROCA administered surveys to participants to assess change and use of knowledge and general satisfaction with the training event. The results of the surveys were however not properly analyzed. In addition, the surveys were administered on paper-form which made it inefficient to process and analyze. ROCA also maintained an Excel spreadsheet with basic information about training events delivered in the region including training title, number of participants, gender, and date of the event. However, the data collected in the spreadsheet was incomplete and insufficient to allow proper analysis of trends in training events delivered. Further, the information on training delivered by ROCA was not updated in the UNODC Drug Monitoring Platform. The Platform is a corporate solution used for collecting drug data and it also allows the collection of information on training provided in the areas of drugs and border management, thus allowing the geo-localization of training events and drugs seizure. ROCA needs to streamline and optimize the collection of data on training events from existing tools to enable proper analysis and trends review of its training activities. This would help to facilitate effective performance assessment of training activities and inform programmatic decisions such as future investments and upgrades of training modules.

- (3) The UNODC Regional Office for Central Asia should strengthen the tools and mechanisms for collecting and analyzing data on training activities by: (a) automating training surveys; (b) reporting training events in the Drug Monitoring Platform; and (c) ensuring that the Excel spreadsheet captures all the information needed for proper analysis of results and trends in training events.**

UNODC accepted recommendation 3 and stated that ROCA will: (a) develop an automated training survey to assess base, change and use of knowledge and general satisfaction of the training, by using one of the existing platforms; (b) develop a training report format and designate a focal point who will incorporate information on training events in the Drug Monitoring Platform; and (c) use the existing Excel spreadsheet for data collection, including pre-test and post-training assessment results until such functionality is included in the Drug Monitoring Platform subject to availability of funding.

Need to define a strategy for supporting Member States in identifying data gaps

21. Data collection and analysis is at the heart of ROCA's programme of work. In 2021, ROCA contributed to seven UNODC global surveys aimed at collecting data for the region. ROCA was also supporting the local United Nations Country Teams' efforts to facilitate the Voluntary National Review process. This is a process through which countries assess and present national progress made in

implementing the 2030 Agenda. At the time of the audit, ROCA was negotiating for resources to strengthen its data collection capacity and planned to mainstream this function in each project. ROCA conducted surveys in June and November 2022 and identified several data gaps including, among others, significant gaps in data for the 16 SDG (Sustainable Development Goals) indicators for which UNODC is a custodian. ROCA explained that the gaps in data were attributed to a combination of factors including lack of methodology and tools for some of the indicators; countries unwillingness to report on sensitive issues; and lack of funds for conducting surveys. ROCA also explained that when indicators require development of data collection methodology, the support of the UNODC Research and Trend Analysis Branch was needed. There was, however, no formal strategy or action plan developed to address the identified gaps. Such a strategy or action plan would form the basis for identifying priorities and funding requirements, and for developing a workplan to address the data gaps.

(4) The UNODC Regional Office for Central Asia, in consultation with the Research and Trend Analysis Branch, should develop an action plan to address the gaps in data identified in the two data surveys conducted in 2022.

UNODC accepted recommendation 4 and stated that it recognizes the need for continued action to improve the coverage and the quality of reporting from Central Asia on key indicators, including SDG indicators and other mandated areas, building on several initiatives that are already underway within the region. The Research and Trend Analysis Branch stands ready to support in the development of an action plan to address the gaps in data identified. ROCA will designate a staff member to liaise with the Research and Trend Analysis Branch to develop the action plan and ensure that data gaps on relevant SDGs indicators and UNODC's thematic mandate areas are properly addressed through programming of relevant interventions and mobilization of resources.

B. Programme management

ROCA was committed to mainstreaming human rights, gender, and disability in its programme of work

22. ROCA's commitment to mainstream human rights, gender, and disability in its programme of work was demonstrated in the 2022-2025 Programme. Specific actions were also included in its annual work plans and performance reports. ROCA's staff and personnel were familiar with and used the UNODC gender mainstreaming checklist for planning and monitoring of activities. Gender focal points were appointed in four programme offices and gender data was collected for each technical cooperation activity. ROCA also contributed to the UNODC gender action plan and stated that it was developing a local gender action plan as required by the UNODC Gender Strategy for 2022-2026.

23. [REDACTED]



(5) [Redacted]

Need for additional guidance on implementation of the Human Rights Due Diligence Policy

24. As part of its engagement with the local United Nations Country Teams, ROCA participated in the development of standard operating procedures (SOPs) for the operationalization of the United Nations Human Rights Due Diligence Policy (HRDDP) in each Central Asian country. Under the new SOPs, ROCA is expected to play a leading role in the development of risk assessment exercises in the region. At the time of the audit, the implications of the leading role under the new SOPs were still unclear. UNODC had developed guidance on assessing human rights risks in programming, along with a programmatic checklist on human rights risks and a communication strategy. Interviews with Programme managers showed that there was a need for additional guidance and practical examples of implementation of HRDDP given UNODC's new role.

(6) UNODC should share best practices and guide field offices regarding the operationalization of the United Nations Human Rights Due Diligence Policy.

UNODC accepted recommendation 6 and stated that the office has recently been undertaking steps to further facilitate the mainstreaming of human rights into its work. These included the development of a mandatory human rights checklist in programmes, which serves as a guide for programme managers to ensure that human rights-related aspects are properly highlighted and given due attention in each stage of the programming cycle. The checklist, among other things, also reminds managers about their responsibilities to consult the HRDDP guidance note and other HRDDP material developed by the Office of High Commissioner for Human Rights, which outline the necessary guidance, templates and procedures for a proper application of the policy. UNODC is committed to further disseminate this guidance material among its programme staff and to ensure, through the re-vitalization of an inter-divisional network of human rights focal points, that relevant tools, guidance, and best practices identified in the mainstreaming of human rights and in the operationalization of HRDDP are more systematically shared with relevant UNODC staff in the field and in headquarters.

Need to ensure residual funds on completed projects are cleared in a timely manner

25. OIOS reviewed the donor reporting practices for eight closed projects with a total value of \$4 million and noted some gaps. Some reports to donors were submitted to the Monitoring and Evaluation Officer for quality review while others were not. In two cases relating to the same project, quarterly reports were submitted to donors directly by the programme managers and the reports were not aligned with the

donor requirements. Following the audit, ROCA was planning to develop standard quality assurance practices for the submission and review of reports to donors.

26. At the time of the audit, there were 27 grants relating to projects completed in the period 2018 to 2021 which still had outstanding balances totaling \$317,973. ROCA needed to clear the residual funds for completed projects in a timely manner in accordance with the agreement with the donors. This would ensure that, where applicable, opportunities to use the funds for other activities can be explored and the funds utilized in a timelier manner.

(7) The UNODC Regional Office for Central Asia should strengthen its arrangements for monitoring the closure of completed projects and ensure that residual funds are cleared and where applicable re-assigned to other activities in a timely manner.

UNODC accepted recommendation 7 and stated that it will develop SOPs on the project closure process. ROCA, in coordination with the Co-Financing and Partnership Section and the Financial Resources Management Service, will ensure that residual funds are cleared and where applicable, re-assigned.

C. Regulatory framework

Controls relating to travel, petty cash and assets management were satisfactory

27. Between January 2020 to June 2022, ROCA issued 735 travel requests pertaining to commercial air travel for both staff and non-staff. ROCA purchased airline tickets from three pre-approved travel agencies and had established a practice of making price comparisons of price quotes from the agencies to ensure the best value for money. About 57 per cent of the travel requests were approved less than 16 days before the actual travel. OIOS examined 35 travel requests approved less than 16 days before travel and all of them were duly justified and explanations were properly reflected in Umoja. Travel expense reports were also submitted as required with 87 percent of the expense reports submitted within the allotted time of two calendar weeks. Mechanisms were in place to monitor and recover travel advances in cases where travel expense reports were not submitted within established timelines.

28. Review of petty cash showed that there were adequate arrangements for managing the six petty cash fund accounts that ROCA had which were for amounts ranging from \$300 to \$1,200. OIOS' review also showed that controls relating to management of assets were satisfactory. At the time of the audit ROCA was finalizing the inventory exercise for 2022. OIOS reviewed 18 assets worth \$1.4 million and found no significant discrepancies. Eight of the 13 vehicles in service in ROCA did not include the chassis number in Umoja and ROCA planned to take corrective action to address this gap. Further, OIOS reviewed the donation process for 61 items worth \$4.4 million and found that there were proper approvals by the UNODC Division for Management and signed hand over notes from the beneficiaries.

Need to review the organizational structure

29. At the time of the audit, 83 per cent of ROCA's workforce had completed the seven mandatory training courses and ROCA had taken measures to address recurring technical issues in the training platform (Inspira) to help facilitate full compliance. ROCA's organizational structure was aligned with the five substantive sub-programmes in the 2022-2025 Programme. Each sub-programme had one officer responsible for providing leadership and overseeing coordination in addition to their primary responsibilities. ROCA had documented terms of reference explaining such leadership and coordination responsibilities.

30. OIOS conducted a survey to assess ROCA's control environment and 81 out of the 130 personnel surveyed responded (62 per cent response rate). The survey showed that most of the personnel were satisfied with the way staff complaints were handled and familiar with how to find guidelines on conflict resolution. Personnel also stated that their deliverables were clear. However, only 80 per cent of the survey respondents stated that the organizational structure was clear to them, and that their job descriptions were aligned to their current roles. The other 20 per cent did not find the structure clear. In addition, ROCA programme managers and external stakeholders interviewed stated that the working arrangements with the Afghanistan and Neighbouring Countries Programme were unclear and some aspects such as fundraising were sometimes not coordinated.

31. Further, ROCA used service contractors for extended periods and for core responsibilities including as sub-programme leaders and head of programme offices, as well as for communication, external relations, treasury, procurement, and human resources functions. Forty-two of the 112 service contractors (38 per cent) had been employed by ROCA for more than five years continuously. Although the service contract modality provides the flexibility needed to implement technical cooperation projects, there are disadvantages of overusing this modality both to the service contractors and the organization. According to the Regional Representative, the extended use of service contractors generated lack of stability and loss of knowledge. It also limited ROCA's ability to share administrative functions that require roles in Umoja thus generating high workload for some officers.

(8) The UNODC Regional Office for Central Asia should review and strengthen its structure by: (a) defining coordination mechanisms with the Regional Programme for Afghanistan and Neighbouring Countries; and (b) consulting with the Division for Management to identify opportunities to improve its mix of staff and service contractors.

UNODC accepted recommendation 8 and stated that coordination mechanisms between relevant UNODC programmes in the region will be defined and strengthened through the establishment of a Management Board consisting of the Regional and Country Representatives in West and Central Asia as well as the Chief of the Regional Section for Europe, West and Central Asia. The Management Board will be supported by the Regional Programme for Afghanistan and Neighbouring Countries (RPANC) Coordinator. ROCA and RPANC will continue to inform and coordinate its ongoing activities through periodic reviews, coordination meetings, Programme Steering Committee meetings and senior staff meetings. Secondly, the ROCA organigram will be revisited to analyze and identify opportunities to improve the office's balanced mix of staff and service contractors. The Human Resources Management Service (HRMS) will deploy a mission to ROCA to support the analysis and inform further decision-making on this matter. In consultation with HRMS, ROCA has already initiated recruitment under fixed term contracts. Further fixed term contract positions (replacing service contract positions) will be proposed in line with funding availability and the balance will be migrated by year end to the Partner Personnel Service Agreement in consultation with HRMS.

Need to identify temporary solutions for the salary survey of service contract holders

32. In 2021, the United Nations Development Programme (UNDP) discontinued the use of the service contract modality and introduced the National Personnel Service Agreement (NPSA) contract. At the time of the audit, the NPSA contract was used solely for personnel employed to serve with UNDP. Other entities continued using the service contract modality as UNDP was still developing a new contract modality to replace it (the Partner Personnel Service Agreement). There was no date established for migrating the service contractors to the Partner Personnel Service Agreement. The UNDP Handbook on Setting Remuneration for Service Contract Personnel requires that remuneration scales are updated annually. However, UNDP discontinued the annual salary surveys after it migrated its service contractors to the

NPSA contract, and no temporary solution had been established to address the gap. Of the countries where ROCA had offices, the last survey was conducted in 2021 in one country, in 2020 in three countries and in 2014, 2018 and 2019 in the remaining three countries. In Kazakhstan, service contractors interviewed stated that their salaries lost significant purchasing power due to increased inflation rates. ROCA had the largest number of service contractors in the Central Asia region and was significantly impacted with the lack of annual salary surveys. It generated dissatisfaction among the service contractors and the Regional Representative stated that it contributed to a high turnover of personnel.

(9) The UNODC Regional Office for Central Asia, in consultation with the Division for Management, should identify temporary measures to mitigate the risks associated with the lack of annual salary surveys for service contractors.

UNODC accepted recommendation 9 and stated that in consultation with HRMS, ROCA envisages applying the increments of the UNDP NPSA scales in each country in the region. HRMS has sent a request to UNDP headquarters and is waiting for feedback.

Need to improve procurement planning and monitoring

33. ROCA had delegation of authority for approving procurement contracts up to \$100,000. For the period January 2020 to September 2022, ROCA issued 2,443 purchase orders with a value of around \$10.88 million. Low-value acquisition represented 92 per cent of the number of purchase orders issued and 52 per cent of the total value of the purchase orders. ROCA prepared an annual acquisition plan and shared it with UNOV/UNODC Procurement Unit. However, OIOS' analysis of procurement statistics and review of a sample of 71 procurement cases showed some weaknesses in procurement planning and monitoring. In four instances, related requirements were split in multiple purchase orders (15 purchase orders totaling \$123,000) to avoid going beyond the threshold for more formal solicitation methods as prescribed in the Procurement Manual. Similarly, in another instance, the requirement was split in four purchase orders totaling \$246,000 that were issued the same day to different vendors. Splitting of requisitions is an abuse of the delegated procurement authority and should be avoided to ensure best value for money. In addition, in 2020 to 2022, ROCA issued several purchase orders totaling \$765,488 to 10 vendors for recurring purchases including printing services, conference services, supplies, and translation services. ROCA needed to explore the possibility of consolidating the purchase of such recurring needs and where feasible establishing systems contracts. This would be more efficient and would also improve ROCA's chances of achieving more competitive prices due to bulk purchasing.

(10) The UNODC Regional Office for Central Asia should: (a) use the periodic acquisition planning exercise to identify opportunities for consolidating the acquisitions of recurring purchases and establishing system contracts where feasible; and (b) ensure that staff are held accountable for knowingly splitting requirements.

UNODC accepted recommendation 10 and stated that the Procurement Unit of ROCA has collected annual acquisition plans for both high value and low value acquisitions and analyzed them to identify opportunities for consolidating the acquisitions of similar or recurring purchases and is establishing system contracts. Power BI tool was used to analyze previous low value acquisitions and identify goods/services which have been most frequently purchased. Based on the analysis, ROCA plans to establish system contracts for these services first and consequently to other recurring purchases. While establishing system contracts for these services, existing long-term agreements of other United Nations agencies in the ROCA region will be analyzed and piggybacked if applicable and possible. Secondly, ROCA will start conducting regular training sessions on procurement rules and regulations to increase understanding of the procurement process and its key principles by project/programme staff. These sessions will be aimed especially at preventing low value splitting of procurements.

Insurance coverage requirements for premises needed to be clarified

34. Security arrangements in ROCA offices were satisfactory. The United Nations Department of Safety and Security (UNDSS) conducted a security assessment of ROCA premises in Kyrgyzstan in 2017, Uzbekistan in 2019, Georgia in 2020 and Tajikistan in 2021. There were no pending UNDSS recommendations. UNDSS considered ROCA premises in the four locations safe and adequately protected. In the other three locations where ROCA had offices, ROCA shared premises with other United Nations agencies who were in-charge of security arrangements.

35. However, ROCA did not have fire and third-party liability insurance for its main premises in Tashkent, Uzbekistan. The 2022 Report of the Secretary-General on progress in the implementation of the organizational resilience management system (A/76/7/Add.37), recommends that sufficient insurance coverage at a reasonable cost should be maintained for all United Nations locations. There was no guidance from UNODC headquarters on the issue of insurance coverage and as a result there was uncertainty on who was responsible for addressing the insurance needs in field offices.

(11) The UNODC Regional Office for Central Asia, in consultation with the Division for Management, should assess risks to its premises and the nature of insurance coverage needed.

UNODC accepted recommendation 11 and stated that the office will clarify local insurance needs and coverage with its landlord and host countries. The Division for Management is exploring likely extension of the property insurance in Vienna to field locations. Though insurance is not mandatory in ROCA-covered countries and given the frequent earthquakes in the region, ROCA will conduct analysis of insurance market in the region to better understand the feasibility. Some programme offices in the region are already covered by insurance plans. ROCA will communicate with the Division for Management on follow-up actions required for risks assessment.

[REDACTED]

36. [REDACTED]

(12) [REDACTED]



IV. ACKNOWLEDGEMENT

37. OIOS wishes to express its appreciation to the management and staff of UNODC 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 the United Nations Office on Drugs and Crime Regional Office for Central Asia

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNODC should formally define the roles and responsibilities and relevant coordination mechanisms for supporting the Southern Caucasus countries under the new field office network structure approved in 2022.	Important	O	Receipt of evidence that roles and responsibilities and coordination mechanisms for supporting the Southern Caucasus countries under the new field office network structure have been formally defined.	31 May 2023
2	The UNODC Regional Office for Central Asia should ensure that: (a) annual output indicators and targets are defined; and (b) the activities of the Regional Programme for Afghanistan and Neighbouring Countries implemented in the Central Asia region are incorporated in its annual programme progress reports.	Important	O	Receipt of evidence that: (a) annual output indicators and targets have been defined and integrated into IPMR; and (b) the 2022 IPMR report incorporates the results of activities relating to the Regional Programme for Afghanistan and Neighbouring Countries implemented in the Central Asia region.	30 September 2023
3	The UNODC Regional Office for Central Asia should strengthen the tools and mechanisms for collecting and analyzing data on training activities by: (a) automating training surveys; (b) reporting training events in the Drug Monitoring Platform; and (c) ensuring that the Excel spreadsheet captures all the information needed for proper analysis of results and trends in training events.	Important	O	Receipt of evidence of action taken to strengthen the tools and mechanisms for collecting and analyzing data on training activities.	31 December 2023
4	The UNODC Regional Office for Central Asia, in consultation with the Research and Trend Analysis Branch, should develop an action plan to address the gaps in data identified in the two data surveys conducted in 2022.	Important	O	Receipt of evidence that ROCA has developed an action plan to address the gaps in data identified in the two data surveys conducted in 2022.	31 December 2023

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.

³ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁴ Date provided by UNODC in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Office on Drugs and Crime Regional Office for Central Asia

5					
6	UNODC should share best practices and guide field offices regarding the operationalization of the United Nations Human Rights Due Diligence Policy.	Important	O	Receipt of evidence of action taken to share best practices and guide field offices regarding the operationalization of HRDDP.	30 June 2024
7	The UNODC Regional Office for Central Asia should strengthen its arrangements for monitoring the closure of completed projects and ensure that residual funds are cleared and where applicable re-assigned to other activities in a timely manner.	Important	O	Receipt of evidence that: (a) SOPs on the project closure process have been developed and promulgated; and (b) residual funds for all completed projects have been cleared.	31 December 2023
8	The UNODC Regional Office for Central Asia should review and strengthen its structure by: (a) defining coordination mechanisms with the Regional Programme for Afghanistan and Neighbouring Countries; and (b) consulting with the Division for Management to identify opportunities to improve its mix of staff and service contractors.	Important	O	Receipt of evidence of action taken to: (a) define and strengthen coordination mechanisms; and (b) improve the mix of staff and service contractors.	31 December 2024
9	The UNODC Regional Office for Central Asia, in consultation with the Division for Management, should identify temporary measures to mitigate the risks associated with the lack of annual salary surveys for service contractors.	Important	O	Receipt of evidence of action taken to mitigate the risks associated with the lack of annual salary surveys for service contractors.	31 March 2024
10	The UNODC Regional Office for Central Asia should: (a) use the periodic acquisition planning exercise to identify opportunities for consolidating the acquisitions of recurring purchases and establishing system contracts where feasible; and (b) ensure that staff are held accountable for knowingly splitting requirements.	Important	O	Receipt of evidence of action taken to: (a) identify opportunities for consolidating the acquisitions of recurring purchases and establish system contracts where feasible; and (b) ensure that staff are held accountable for knowingly splitting requirements.	31 December 2023
11	The UNODC Regional Office for Central Asia, in consultation with the Division for Management,	Important	O	Receipt of evidence that risks to ROCA premises have been assessed and the nature of insurance coverage needed has been determined.	30 June 2024

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	should assess risks to its premises and the nature of insurance coverage needed.				
12	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

APPENDIX I

Management Response

Management Response

Audit of the United Nations Office on Drugs and Crime Regional Office for Central Asia

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNODC should formally define the roles and responsibilities and relevant coordination mechanisms for supporting the Southern Caucasus countries under the new field office network structure approved in 2022.	Important	Yes	Director, Division for Operations	May 2023	UNODC accepts the recommendation and will share with the auditors the communication which aims at defining the ways to provide a coordinated support to the Southern Caucasus countries.
2	The UNODC Regional Office for Central Asia should ensure that: (a) annual output indicators and targets are defined; and (b) the activities of the Regional Programme for Afghanistan and Neighbouring Countries implemented in the Central Asia region are incorporated in its annual programme progress reports.	Important	Yes	Regional Representative, ROCA	(a) September 2023 (b) implemented	The UNODC Regional Office for Central Asia (ROCA) accepts the recommendation. a) ROCA will develop annual output indicators and targets and will integrate them into the Integrated planning, management reporting solution (IPMR). b) ROCA consulted with RPANC on incorporation of their results into APPR. Hence, the 2022 ROCA IPMR report already benefits from the RPANC inputs (where relevant), and ROCA will continue to incorporate such inputs in future reports.

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.

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3	The UNODC Regional Office for Central Asia should strengthen the tools and mechanisms for collecting and analyzing data on training activities by: (a) automating training surveys; (b) reporting training events in the Drug Monitoring Platform; and (c) ensuring that the Excel spreadsheet captures all the information needed for proper analysis of results and trends in training events.	Important	Yes	Regional Representative, ROCA	December 2023	<p>ROCA accepts the recommendation.</p> <p>a) ROCA will develop an automated training survey to assess base, change and use of knowledge and general satisfaction of the training, by using one of the existing platforms. ROCA will consult with ITS, DO and other relevant HQs offices.</p> <p>b) ROCA will develop a training report format and will designate a focal point who will incorporate information on training events in the Drug Monitoring Platform (DMP).</p> <p>c) The existing Excel spreadsheet will be used for data collection, including pre-test and post-training assessment results until such functionality is included in the DMP, subject to availability of funding.</p>

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
4	The UNODC Regional Office for Central Asia, in consultation with the Research and Trend Analysis Branch, should develop an action plan to address the gaps in data identified in the two data surveys conducted in 2022.	Important	Yes	Regional Representative, ROCA, in consultation with the Research and Trend Analysis Branch	December 2023	ROCA accepts the recommendation. UNODC recognizes the need for continued action to improve the coverage and the quality of reporting from Central Asia on key indicators, including SDG indicators and other mandated areas, building on several initiatives that are already underway within the region. The Research and Trend Analysis Branch (RAB) stands ready to support in the development of an action plan to address the gaps in data identified. ROCA will designate a staff member to liaise with RAB to develop the action plan and ensure that data gaps on relevant SDGs indicators and UNODC's thematic mandate areas are properly addressed through programming of relevant interventions and mobilization of resources. ROCA will work through the CAU and the newly established Information Centre on Transnational Threats, based in ROCA.

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
5	[REDACTED]	1 [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
6	UNODC should share best practices and guide field offices regarding the operationalization of the United Nations Human Rights Due Diligence Policy.	Important	Yes	Drug Control and Crime Prevention Officer, DTA/UNODC focal point for Human Rights	June 2024	UNODC accepts the recommendation. The office has been undertaking steps to further facilitate the mainstreaming of human rights into its work. These included the development of a mandatory HR checklist in programmes, which serves as a guide for programme managers to ensure that Human Rights related aspects are properly highlighted and given due attention in each stage of the programming cycle. The checklist, among other things, also reminds managers about their responsibilities to consult the HRDDP guidance note and other HRDDP material developed by OHCHR, which outline the necessary guidance,

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						<p>templates and procedures for a proper application of the policy.</p> <p>UNODC is committed to further disseminate this guidance material among UNODC's programme staff and to ensure, through the re-vitalization of an inter-divisional network of HR focal points, that relevant tools, guidance and best practices identified in the mainstreaming of HR and in the operationalization of the Human Rights Due Diligence Policy, are more systematically shared with relevant UNODC staff in the field and in HQs.</p>
7	The UNODC Regional Office for Central Asia should strengthen its arrangements for monitoring the closure of completed projects and ensure that residual funds are cleared and where applicable re-assigned to other activities in a timely manner.	Important	Yes	Regional Representative, ROCA	December 2023	<p>ROCA accepts the recommendation and will develop Standard operating procedures (SOP) on the project closure process.</p> <p>ROCA in coordination with the Co-Financing and Partnership Section (CPS) and the Financial Resources Management Service (FRMS), will ensure that residual funds are cleared and where applicable, re-assigned.</p>

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
8	The UNODC Regional Office for Central Asia should review and strengthen its structure by: (a) defining coordination mechanisms with the Regional Programme for Afghanistan and Neighbouring Countries; and (b) consulting with the Division for Management to identify opportunities to improve its mix of staff and service contractors.	Important	Yes	(a) Regional Representative, ROCA, in coordination with the Division for Operations (b) Regional Representative, ROCA, in coordination with the Human Resources Management Service/DM	a) September 2023 b) December 2024	ROCA accepts the recommendation. a) Coordination mechanism between relevant UNODC programmes in the region, including RPANC and Programme for Central Asia, will be defined and strengthened through the establishment of a Management Board consisting of the Regional and Country Representatives in West and Central Asia as well as Chief of the Regional Section for Europe, West and Central Asia. The Management Board will be supported by the RPANC Coordinator. RPANC & ROCA will continue to inform & coordinate its ongoing activities also through periodic reviews, coordination meetings, PSC meetings, senior staff meetings, etc. b) The ROCA organigram will be revisited to analyze and identify opportunities to improve the office's balanced mix of staff and service contractors. The Human Resources Management Service (HRMS) will deploy a mission to ROCA to support the

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						analysis and inform further decision-making on this matter. In consultation with HRMS, ROCA has already initiated recruitment under fixed term contracts. Further fixed term contract positions (replacing Service Contract positions) will be proposed in line with funding availability and balance will be migrated by year end to the Partner Personnel Service Agreement (PPSA) in consultation with HRMS.
9	The UNODC Regional Office for Central Asia, in consultation with the Division for Management, should identify temporary measures to mitigate the risks associated with the lack of annual salary surveys for service contractors.	Important	Yes	Regional Representative, ROCA, in coordination with the Human Resources Management Service/DM	March 2024	ROCA accepts the recommendation. In consultation with HRMS, ROCA envisages applying the increments of the UNDP NPSA scales in each country in the region, rather than contracting UNDP to conduct an SC survey, which is financially unviable. HRMS has sent a request to UNDP HQs and is waiting for feedback. When PPSA is introduced and launched, ROCA will adopt PPSA salary scale using the same approach and methodology applied for NPSA in consultation with UNDP & the Division for Management as it is a corporate agreement between the two organizations.

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
10	The UNODC Regional Office for Central Asia should: (a) use the periodic acquisition planning exercise to identify opportunities for consolidating the acquisitions of recurring purchases and establishing system contracts where feasible; and (b) ensure that staff are held accountable for knowingly splitting requirements.	Important	Yes	Regional Representative, ROCA	December 2023	<p>ROCA accepts the recommendation.</p> <p>a) The Procurement Unit of ROCA has collected annual acquisition plans for both high value and low value acquisitions and analyzed them to identify opportunities for consolidating the acquisitions of similar or recurring purchases and is establishing system contracts (LTAs). Power BI tool on LVA Analysis was used to analyze previous low value acquisitions and identify goods/services which have been most frequently purchased. Based on the analysis, ROCA plans to establish LTAs for these services first and consequently to other recurring purchases. While establishing LTAs for these services, existing LTAs of other UN agencies in the ROCA region will be analyzed and piggybacked if applicable and possible.</p> <p>b) The Procurement Unit of ROCA will start conducting regular training sessions, learning hours on procurement rules and regulations to increase</p>

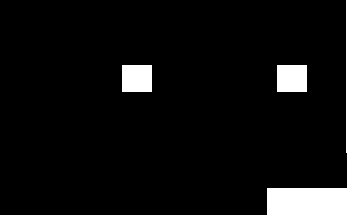
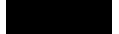


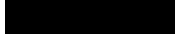
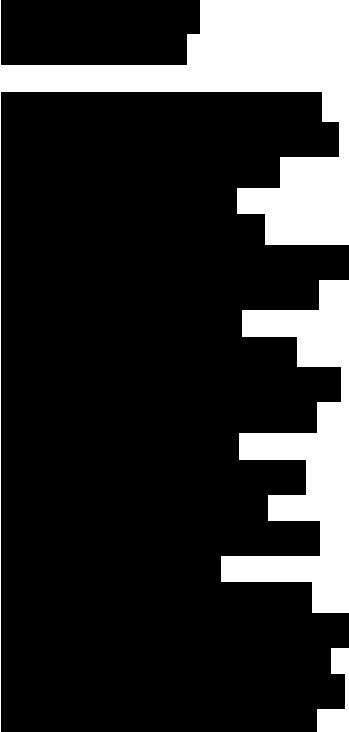
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						understanding of the procurement process and its key principles by project/programme staff. These sessions is aimed especially at preventing low value splitting of procurements. Programme staff will be trained in developing good ToR/Technical requirements for goods and services. Templates will be developed and will be provided to all programme teams. The ROCA Operations Manager will review opportunities for further streamlining the process based on BOSs in the region.
11	The UNODC Regional Office for Central Asia, in consultation with the Division for Management, should assess risks to its premises and the nature of insurance coverage needed.	Important	Yes	Regional Representative, ROCA, in coordination with the General Support Section/DM	June 2024	ROCA accepts the recommendation. The office will clarify local insurance needs and coverage with its landlord and host countries. The Division for Management/UNODC HQs is in contact with UNIDO to explore likely extension of the property insurance in Vienna to field locations. Though insurance is not mandatory in ROCA covered countries and given the frequent earthquakes in the region, ROCA

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						<p>will conduct analysis of insurance market in the region to better understand the feasibility. Some programme offices in the region are already covered by insurance plans.</p> <p>ROCA will communicate with DM on follow-up actions required for risks assessment.</p>
12						

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						[REDACTED]

Comment on para. 33: Kindly change the reference to “headquarters Procurement Section” to “UNOV/UNODC Procurement Unit.