INTERNAL AUDIT DIVISION

REPORT 2017/047

Audit of the coordination and response function in the Office for the Coordination of Humanitarian Affairs

The Office needed to strengthen governance and risk management processes over the coordination and response function

9 June 2017
Assignment No. AN2016/590/03

Audit of the coordination and response function in the Office for the Coordination of Humanitarian Affairs

EXECUTIVE SUMMARY

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the coordination and response function in the Office for the Coordination of Humanitarian Affairs (OCHA). The audit covered the period from January 2015 to September 2016 and it included a review of: (a) OCHA's governance and operational framework; (b) coordination between the Coordination and Response Division (CRD) at OCHA headquarters with other OCHA branches and field offices, and with external stakeholders; and (c) relevant cross-cutting issues identified in previous OIOS audits of OCHA operations.

Although OCHA reviewed its country operations periodically and exercised adequate controls to support United Nations resident and humanitarian coordinators in the field on natural disasters and complex emergencies, it needed to strengthen governance and risk management processes over the overall coordination and response function.

OIOS made nine recommendations. To address issues identified in the audit, OCHA needed to:

- Allocate resources to review and update policy instructions that were overdue for review;

- Implement a formal mechanism to monitor implementation of policy instructions, with periodic reporting to the Executive Management Committee;

- Implement a comprehensive risk management framework that supports effective identification, analysis, monitoring and reporting of risks;

- Review its strategic plan and develop the 2018-2021 plan in a logical framework that is better aligned with its core functions and the biennial strategic framework;

- Revise its organizational structure to optimize the delivery of each core function after the conclusion of the ongoing activity baseline survey;

- Ensure that the programmatic and financial information disclosed in its annual reports are consistent with the performance results of its core functions or subprogrammes as presented in the biennial strategic framework and programme budget proposals;

- Review reporting lines within CRD to reduce the Deputy Director's span of control to a reasonable level;

- Establish a process to measure and report on CRD's performance; and

- Evaluate viable options to improve its administrative support systems as part of a comprehensive strategy to exercise special measures under General Assembly resolution 46/182.

OCHA accepted the recommendations and has initiated action to implement them.

CONTENTS

Audit of the coordination and response function in the Office for the Coordination of Humanitarian Affairs

I.   BACKGROUND

1.   The Office of Internal Oversight Services (OIOS) conducted an audit of the coordination and response function in the Office for the Coordination of Humanitarian Affairs (OCHA).

2.   OCHA was established by General Assembly resolution 46/182 dated 19 December 1991. The mission of OCHA is to: (a) mobilize and coordinate effective and principled humanitarian action in partnership with national and international actors in order to alleviate human suffering in disasters and emergencies; (b) advocate for the rights of people in need; (c) promote preparedness and prevention; and (d) facilitate sustainable solutions.

3.   The Secretary-General's biennial strategic framework for the humanitarian assistance programme translates the mandate of OCHA into five subprogrammes. The Coordination and Response Division (CRD) in OCHA shares responsibility for implementation of subprogramme 2 (Coordination of humanitarian action and response) with the secretariat of the Central Emergency Response Fund, Funding Coordination Section, Programme Support Branch and Partnerships and Resource Mobilization Branch. CRD acts as the OCHA operational hub and is primarily responsible for:

- Providing direct support to the Emergency Relief Coordinator (ERC) in his roles as coordinator of the international humanitarian response and principal advisor to the Secretary-General on humanitarian affairs;
- Providing support to United Nations resident coordinators and humanitarian coordinators in the field on natural disasters and complex emergencies that have a humanitarian impact; and
- Overseeing all OCHA country and regional offices, and supporting regional and in-country coordination mechanisms, including coordinating regional and country level humanitarian strategies and emergency responses.

4.   With direct reporting line to the Assistant Secretary-General for OCHA, a Director at the D-2 level, heads CRD and is supported by a Deputy Director at the D-1 level. In 2016, CRD at New York Headquarters had 113 posts and a budget of $16.9 million. The Division's structure includes the Director's office; thematic advisors and field support units such as the Humanitarian Coordinators Support Unit and the Humanitarian Leadership Support Unit; and five geographic sections that provide direct support to nine regional offices and 28 country offices. Field offices had more than 1,800 staff and a budget of $220.5 million in 2016. The nine regional offices accounted for $39.5 million, or 18 per cent of the field budget, while the 28 country offices accounted for $181.0 million or 82 per cent of the field budget.

5.   The CRD work plan for 2016 indicated that the Division was expected to deliver 24 outcomes against OCHA strategic objectives as set out in the 2014-2017 OCHA strategic plan. These included: improved coordination and support to joint strategic response planning; inter-sector/cluster coordination that better supports humanitarian action; and strengthened protection advocacy and policy. CRD was also expected to deliver 21 outcomes against OCHA management objectives established in the four-year strategic plan. Expected outcomes against management objectives included resource mobilization support and management of human resources.

6.   Comments provided by OCHA are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7.   The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the coordination and response function in OCHA.

8.   This audit was included in the 2016 risk-based work plan of OIOS due to the risk that the coordination and response function may not have a suitable governance and operational framework to fulfil its role in implementing OCHA's mandate.

9.   OIOS conducted this audit from October 2016 to January 2017. The audit covered the period from January 2015 to September 2016. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the coordination and response function in OCHA, which included:

   a. Governance and operational framework;
   b. Coordination between CRD headquarters, OCHA field offices and other branches of OCHA;
   c. Coordination between CRD and external stakeholders such as other United Nations Secretariat departments and the Inter-Agency Standing Committee in delivering the OCHA mandate; and
   d. Relevant cross-cutting issues identified in audits of OCHA operations in the field and at Headquarters in the past four years from 2012 through 2016.

10.   The audit methodology included: (a) interviews of key personnel, (b) review of relevant documentation, and (c) analytical review of data.

III. OVERALL CONCLUSION

11.   OCHA reviewed its country operations periodically and exercised adequate controls to support United Nations resident and humanitarian coordinators in the field on natural disasters and complex emergencies. However, OCHA needed to strengthen governance and risk management processes over the coordination and response function.

IV. AUDIT RESULTS

A. Governance and operational framework

<u>OCHA needed to update policy instructions regularly and monitor compliance</u>

12.   According to OCHA's policy instruction on guidance materials, policy instructions are to be reviewed regularly, typically every two to three years, by the responsible division with support from the Strategic Planning, Evaluation and Guidance Section (SPEGS). The review would ascertain the status of implementation of the guidance since issuance to determine if modifications were required. It also requires each policy instruction to explain how its implementation would be measured, with clear roles and responsibilities for oversight and monitoring.

13.   OCHA had in place several policy instructions governing coordination and response. CRD was assigned responsibility for monitoring seven of these instructions. OIOS noted that five of them were overdue for review as indicated in Table 1. In discussions with SPEGS, OIOS determined that this was a systemic issue across OCHA, as 27 out of 33 issued policy instructions were overdue for revision.

Table 1: Status of CRD policies

Title	Approval Date	Due date for periodic review	Overdue Status
1. Emergency Response in OCHA	15/07/2015	14/07/2017	Not yet due
2. The Roles and Responsibilities of Regional Offices	29/10/2014	29/10/2017	Not yet due
3. The Relationship Between Humanitarian Coordinators and Heads of OCHA Country Offices	25/07/2011	15/07/2013	Overdue
4. The Roles and Responsibilities of Country Offices	15/06/2010	15/06/2012	Overdue
5. OCHA's Role in Transition	15/06/2010	15/06/2012	Overdue
6. Security	28/02/2013	01/03/2015	Overdue
7. OCHA Structural Relationships Within an Integrated United Nations Presence	01/05/2009	01/05/2011	Overdue

14.   Additionally, while CRD thematic advisors and OCHA desk officers supported field offices in operationalizing both internal and system-wide policies; there was no methodology within OCHA for monitoring compliance with policy instructions. For example: (a) CRD did not have information on whether field offices had developed phase down and exit strategies as required by the policy instruction on transition; and (b) there was no evidence that CRD was monitoring achievement of various benchmarks, including response timelines as required by the policy instruction on emergency response in OCHA. At a minimum, the monitoring process should include reporting to the Executive Management Committee (EMC) on compliance rates with policy instructions, reasons for noncompliance as well as corrective measures implemented or proposed. Feedback from field offices also indicated that there was inadequate follow through to ensure that policies, many of which they considered as very well designed, were implemented effectively. Consequently, there is a risk that policies were not being implemented as designed, and provisions are obsolete or redundant rendering implementation impractical.

15.   Insufficient review of OCHA policy instructions was attributed to a variety of factors, including inadequate capacity within SPEGS to effectively coordinate the policy and guidance management system, lack of ownership by policy focal points regarding policy updates and compliance monitoring, as well as inadequate oversight by the EMC over the OCHA policy and guidance management system.

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(1) OCHA should allocate resources to review and update all policy instructions that are overdue for review.

OCHA accepted recommendation 1 and stated that SPEGS, in December 2016, suggested a revamp of OCHA's guidance function alongside the processes within the ongoing change management exercise. This would lead to the review of all overdue policy instructions by the end of 2019. Recommendation 1 remains open pending receipt of evidence of review and update of overdue policy instructions.

(2) OCHA should implement a formal mechanism to monitor implementation of policy instructions, with periodic reporting to the Executive Management Committee.

OCHA accepted recommendation 2 and stated that OCHA would develop a formal mechanism for monitoring the implementation of policy instructions. Meanwhile, OCHA would try to strengthen the monitoring of best practices and challenges identified through audits and evaluations. Recommendation 2 remains open pending receipt of a copy of the formal mechanism for monitoring policy instructions.

OCHA needed to strengthen its risk management framework

16.   Following the General Assembly resolution "towards an accountability system in the United Nations Secretariat" that stressed the importance of promoting a culture of enterprise risk management among other activities, the Department of Management developed an Enterprise Risk Management and Internal Control policy and methodology to improve the Organization's governance and risk management practices. OCHA is expected to comply with this framework.

17.   OCHA operates in a dynamic environment, and constantly faces challenges with financing, security, and other operational risks. The United Nations Economic and Social Council (ECOSOC) resolutions and the Secretary-General's report on the strengthening of humanitarian response in the United Nations have highlighted strengthening preparedness and risk management actions as key humanitarian priorities going forward, which could present new opportunities and risks to OCHA. While there is evidence of risk management approaches in various elements of OCHA's operations, such as security and in the management of country based pooled funds, there is no integrated corporate approach to risk management. Efforts towards building an integrated risk management framework that culminated in an enterprise risk assessment report in 2012 were not followed through, and an enterprise risk management policy instruction was never completed.

18.   As a result key risks were not effectively identified, evaluated and communicated to senior management and governance bodies. As early as 1998, OCHA identified the timely deployment of staff and assets as a key risk to effective humanitarian response. However, interviews conducted during the current audit, as well as the results of the recent OCHA functional review, suggested that this risk had not been effectively mitigated. OCHA indicated that this was in part due to challenges with Umoja implementation. Additionally, CRD workplans for 2015, 2016 and 2017 included the same three risks that were carried over from year to year without revision. Regional and country offices documented risks in their biennial strategic plans, but systemic risks were not consolidated or monitored at the headquarters level.

19.   The lack of systematically managing risks and implementing appropriate mitigation measures could result in less effective response to emergencies, compromising OCHA's reputation among humanitarian system partners, donors and Member States.

> **(3) OCHA should implement a comprehensive risk management framework that supports effective identification, analysis, monitoring and reporting of risks.**
>
> *OCHA accepted recommendation 3 and stated that OCHA would, with support from the Department of Management, implement an effective enterprise risk management framework based on the tools and templates shared by the Department in November 2016.* Recommendation 3 remains open pending receipt of evidence of implementation of the risk management framework.

Country operations were reviewed periodically

20.   CRD established an internal standard to conduct life cycle analyses of all country offices at least once every six months. This process involves synthesizing contextual, programmatic and financial information from various sources and placing each operation in one of four phases: (i) start-up/increasing; (ii) ongoing; (iii) downsizing; and (iv) closing. The results are communicated to the EMC and Senior Leadership Team so that formal decisions could be taken on the strategic positioning of the operations.

21.   During the audit period, three life cycle analyses were conducted, however, these were not being done every six months as required. CRD attributed the delays between analyses to staffing challenges, and therefore the life cycle of operations was not effective as an operational planning tool during the audit period. Nonetheless, other fora existed within OCHA to review operations, including their comprehensive annual work planning and cost planning processes, minimizing the overall impact of not completing formal life cycle analyses in a timely manner. OIOS concluded that OCHA had in place adequate procedures to periodically review its country operations and identify the operational challenges it was facing in implementing strategic decisions.

B.   Coordination between CRD headquarters, OCHA field offices and other branches of OCHA

The goals defined within the OCHA strategic plan were not aligned clearly with its core functions

22.   According to Regulation 4.5 on Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2016/6), the strategic framework would cover all activities, both substantive and servicing, including those to be financed partially or fully from extrabudgetary and other assessed resources. Rule 104.5 provides that the subprogramme be the main unit of analysis, review and evaluation in the United Nations planning and programming system.

23.   OCHA's mandate under General Assembly resolution 46/182 and subsequent related resolutions was translated in its biennial strategic framework into five subprogrammes, namely: (1) Policy and analysis; (2) Coordination of humanitarian action and emergency response; (3) Natural disaster risk reduction; (4) Emergency support services; and (5) Humanitarian emergency information and advocacy. OCHA internally identified its five core functions as: (i) Coordination; (ii) Policy; (iii) Advocacy; (iv) Information Management; and (v) Humanitarian Financing. With the exception of subprogramme 3, which is implemented by the United Nations Office for Disaster Risk Reduction, the subprogrammes were well aligned with OCHA core functions. In contrast, OCHA's 2014-2017 strategic plan was organized around three strategic goals, namely:

- Goal 1: Field effectiveness, which had seven strategic objectives. The Director of CRD was designated as the leader responsible for coordinating the implementation of this goal. However, all OCHA directors have primary ownership of some key elements of goal 1.

- Goal 2: Fit for the future, which had three strategic objectives. The Director of OCHA Geneva was designated as the leader responsible for coordinating the implementation of this goal.

- Goal 3: Fit for purpose, which encapsulated management objectives. The Director of Corporate Programmes Division was designated as the leader responsible for coordinating the implementation of this goal.

24.   The three OCHA goals were neither organized in alignment with the five OCHA core functions nor with the five subprogrammes in the strategic framework. Moreover, the internal OCHA core functions were not formulated in a logical framework nor were they associated with the logical framework of the strategic framework for the humanitarian assistance programme to measure performance results. As a result, coordination and response functions are spread out across all three OCHA divisions (i.e. CRD, OCHA Geneva and Corporate Programmes Division) with no central authority for substantive accountability, which could potentially affect CRD's ability to provide direct support to the ERC to coordinate international humanitarian response. On the other hand, OCHA field

offices performed all five core functions under CRD supervision but without being substantively accountable to the heads of related core functions or subprogrammes. OCHA's organizational structure needed to be holistically revised to align it with its core functions and to establish an optimal reporting relationship between the field and Headquarters.

25.   The lack of a clear connection between OCHA core functions and organizational structure have resulted in several challenges for OCHA. These include perceptions of organizational dysfunction, an overly broad span of control for some senior managers (referred to in more detail below) and unclear delineation of accountability, as confirmed by the results of a recent functional review of OCHA. The Under-Secretary-General of OCHA has outlined a roadmap to address the recommendations of a recent functional review report, which would address some of the issues mentioned above. These include conducting an activity baseline survey whose results, together with the outcome of a regional alignment task force, would form the foundation for the revision of reporting relationships within OCHA.

26.   In addition, OCHA biennial programme budget proposals and related reports did not accurately reflect the fact that field operations typically cut across all OCHA core functions or subprogrammes because the total costs of each OCHA field office were presented under subprogramme 2. As outlined in the functional review report, less than half of staff in field offices was involved in response coordination, with almost 700 of them being administrative and support personnel.

27.   There were also differences in how the OCHA programme budget proposals were presented to the United Nations intergovernmental bodies and how they were presented to donors as illustrated in Tables 2 and 3.

Table 2: Proposed programme budget for the biennium 2016-2017 (in millions of United States dollars)

	Regular budget	*Extrabudgetary*	*Grand Total 2016 – 2017*
Executive direction and management	4.89	19.82	24.71
Programme of work:			
1. Policy and analysis	1.58	11.87	13.45
2. Coordination of humanitarian action and emergency response	11.33	496.16	507.50
3. Natural disaster risk reduction	2.70	83.37	86.07
4. Emergency support services	3.73	26.25	29.98
5. Humanitarian emergency information and advocacy	3.13	57.35	60.48
Programme support	4.23	56.36	60.59
	31.60	**751.18**	**782.78**

Source: Proposed programme budget for the biennium 2016 – 2017 (A/70/6) Section 27

Table 3: OCHA Plan and Budget 2016 (in millions of United States dollars)

	Regular budget		*Extrabudgetary*		*Total*		*Grand Total*
	2016	**2017**	**2016**	**2017**	**2016**	**2017**	**2016 – 2017**
Executive Management	1.58	1.58	6.81	6.09	8.39	7.67	16.06
Corporate Programme Division	4.74	4.74	31.06	26.15	35.81	30.89	66.70
Coordination & Response Division	4.11	4.11	16.89	14.95	21.00	19.06	40.06
Geneva Office	4.41	4.41	31.53	28.83	35.94	33.24	69.18
Other headquarters requirements	0	0	0	2.00	0	2.00	2.00
Total headquarters requirements	14.84	14.84	86.29	78.02	101.14	92.86	194.00
Total field requirements	0	4.22	222.85	215.09	222.85	219.31	442.16
Total OCHA requirements	**14.84**	**19.06**	**309.14**	**293.11**	**323.99**	**312.17**	**636.16**

Source: OCHA plan and budget 2016 and 2017

28.   These differences were also apparent in OCHA's annual reports to the General Assembly and ECOSOC on its activities related to global humanitarian assistance. The annual reports did not accurately inform the reader of OCHA's performance targets and results against each core function or subprogramme, and how much was invested into each core function or subprogramme.

(4) OCHA should: (i) review its strategic plan and develop the 2018-2021 plan in a logical framework that is better aligned with its core functions and the biennial strategic framework; and (ii) prepare its workplans and cost plans for Headquarters and field offices following the structure of the new strategic plan.

OCHA accepted recommendation 4 and stated that the change management process already underway in OCHA was working to ensure that the 2018-2021 strategic plan is aligned with OCHA's core functions. Recommendation 4 remains open pending receipt of the 2018-2021 strategic plan that is aligned with OCHA's core functions and 2018 workplans and cost plans that are prepared following the revised structure.

(5) OCHA should revise its organizational structure to optimize the delivery of each core function after the conclusion of the ongoing activity baseline survey.

OCHA accepted recommendation 5 and stated that under its change management process, OCHA had set up an organizational alignment task team to develop proposals for a new organizational structure. The final structural changes are expected to increase efficiency by reducing functional overlaps and fragmentation. Recommendation 5 remains open pending receipt of the new OCHA organizational structure that optimizes the delivery of each core function.

(6) OCHA should take action to ensure that the programmatic and financial information disclosed in its annual reports are consistent with the performance results of its core functions or subprogrammes as presented in the biennial strategic framework and programme budget proposals.

OCHA accepted recommendation 6 and stated that the change management process that is underway at OCHA is expected to align the 2018-2021 strategic plan with OCHA's core functions. From 2018, OCHA also expects to implement results-based budgeting, which would help to improve the accuracy of financial reporting. Recommendation 6 remains open pending receipt of the first OCHA annual report in which programmatic and financial information are presented in line with the performance results of OCHA's core functions or subprogrammes.

<u>OCHA needed to review the span of control of the CRD Deputy Director</u>

29.   The administrative instruction on the performance management and development system (ST/AI/2010/5) outlines the framework to improve the delivery of programmes by optimizing staff performance at all levels. The role of the first reporting officer is to ensure effective goal setting and provide staff with ongoing performance monitoring and coaching.

30.   The heads of OCHA field offices as well as geographic section chiefs in CRD report to the CRD Deputy Director. Consequently, 50 individuals at Headquarters and field offices report directly to the Deputy Director as illustrated in figure 1.

Figure 1: Number of staff who report to CRD Director and Deputy Director
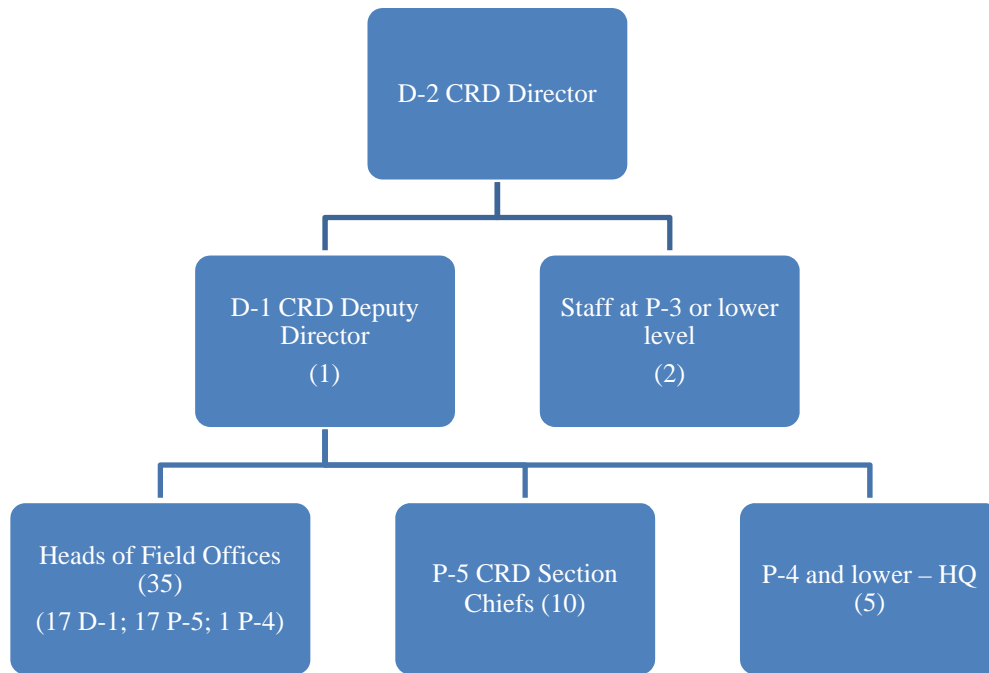
31. Various options to address the wide span of control of the Deputy Director were explored in the functional review report, including the possibility of heads of offices reporting to the CRD geographic section chiefs (P-5) instead of the Deputy Director. OCHA field offices have no reporting line to the geographic section chiefs in CRD although they already provide support in managing the Deputy Director's span of control. In order to reduce the span of control of the Deputy Director in CRD, OCHA could explore the possibility of:

- Establishing formal reporting lines of the heads of OCHA field offices at the P-5 level or below to the geographic section chiefs (P-5); and/or

- Distributing supervision of heads of OCHA field offices at the D-1 level between the Director and the Deputy Director.

32. The above-mentioned options are not exhaustive. An overly broad span of control for senior management diminishes the effectiveness of the performance management and development system.

33. OCHA indicated a desire to upgrade the geographical section chiefs to the D-1 level, which would harmonize their grades to their counterparts in the Departments of Peacekeeping Operations and Political Affairs, subject to the outcomes of the ongoing change management process.

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(7) OCHA should review reporting lines within the Coordination and Response Division to maintain a reasonable span of control for the Deputy Director.

OCHA accepted recommendation 7 and stated that reporting lines would be reviewed pending the outcomes of the change management process. Recommendation 7 remains open pending receipt of evidence that reporting lines within CRD have been reviewed.

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34.   All OCHA Headquarters divisions are required to prepare work plans annually in support of the Office's strategic and management plans for 2014-2017. The Director of CRD is the designated leader responsible for coordinating the implementation of the field effectiveness (goal 1) in OCHA's strategic framework.

35.   As a result, CRD organized various Headquarters level inter-branch meetings in Geneva and New York to facilitate coordination with other divisions. They were typically held at the end of the quarter or during the annual work-planning process to prioritize actions and review implementation of the seven strategic objectives within goal 1.

36.   However, CRD had no mechanism to monitor the implementation of the specific objectives outlined in its workplan. With the exception of the Emergency Directors' Group secretariat that prepared a separate workplan, there were no supplementary workplans for other CRD sections. As a result, there was no clarity on the effective use of workplans and performance monitoring as an accountability tool within the Division to assess the effectiveness of each unit/section's contribution to the achievement of Divisional objectives. Key performance indicators for OCHA were also not clearly linked to divisional performance to facilitate measurement of CRD's contribution towards achievement of OCHA objectives. Consequently, there was no basis to measure whether CRD was effective in overseeing all OCHA country and regional offices, and supporting regional and in-country coordination mechanisms.

> **(8) OCHA should establish a process to measure and report on the performance of the Coordination and Response Division.**
>
> *OCHA accepted recommendation 8 and stated that it did not have a separate headquarters division-level performance monitoring and reporting process, as headquarters reporting is done at the branch level. Due to staffing constraints at the D-1 level, CRD effectively operated as a branch and therefore had only one workplan for the entire Division. CRD monitored its work plan implementation and reported on OCHA's strategic and management indicators in accordance with reporting requirements as outlined by SPEGS. OCHA's performance management system would be adjusted for the 2018-2021 planning cycle in line with planned changes in the management and organizational structure. Recommendation 8 remains open pending receipt of the adjusted OCHA performance management system.*

C.   Coordination between CRD and external stakeholders

Coordination with the United Nations Secretariat and Inter-Agency Standing Committee

37.   General Assembly resolution 46/182 on Strengthening of the coordination of humanitarian emergency assistance of the United Nations called for strengthening the leadership role of the Secretary-General to ensure better preparation for, and response to, emergencies through coordinated support for prevention and preparedness measures and the optimal utilization of inter-agency coordination mechanisms. The Secretary-General would ensure that arrangements between the ERC and all relevant organizations are in place, establishing responsibilities for prompt and coordinated action in the event of an emergency.

38.   To support the Secretary-General's leadership role, OCHA actively coordinated its activities with other Secretariat entities and multi-lateral humanitarian system partners. Examples of such coordination are given below:

a. Integration

OCHA policy instruction on integration clarifies the structural relationships between humanitarian coordinators and OCHA in an integrated United Nations field presence. CRD provided operational guidance and day-to-day field support on integration. CRD undertook activities such as: briefings for incoming heads of offices for countries where the principle of integration applies; integrated briefings for incoming senior United Nations leadership, e.g. Special Representatives of the Secretary-General (SRSGs), Deputy SRSGs and resident/humanitarian coordinators; presentations on integration to CRD and/or OCHA staff twice a year; inclusion of integration requirements in the compacts of relevant humanitarian coordinators and SRSGs; and inclusion of integration requirements in CRD's and relevant country offices' workplans to ensure that the policy is understood and implemented.

CRD represented OCHA in field-oriented bodies that are focused on applying integration policies such as the country-specific Integrated Task Forces at United Nations Headquarters. CRD also participated in integrated assessment and planning processes in support of humanitarian coordinators and humanitarian country teams.

b. Security

OCHA policy instruction on security enables United Nations activities to be conducted while ensuring an acceptable level of safety, security and wellbeing of personnel and security of United Nations premises and assets. During the audit period, the CRD security focal point liaised with the Department of Safety and Security and other United Nations agencies, funds and programmes as a member of the Inter-Agency Security Management Network, to ensure that humanitarian needs are fully considered and humanitarian delivery enabled in the United Nations Security Management System.

c. Humanitarian leadership

The leadership goal on OCHA's strategic framework is to ensure that inter-agency humanitarian action in the field is led by empowered, competent and experienced professionals. To achieve this goal, CRD worked actively with the Inter-Agency Standing Committee's Emergency Directors Group, which is chaired by the CRD Director. CRD also frequently consulted with the United Nations Development Group and the Departments of Peacekeeping Operations and Political Affairs to ensure that humanitarian coordinators are afforded optimal support.

39. Overall, OIOS concluded that CRD had exercised adequate controls to support United Nations resident coordinators and humanitarian coordinators in the field on natural disasters and complex emergencies.

D. Cross-cutting issues

OCHA needed a strategy to improve administrative functions

40. The Secretary-General's report in 1998 on strengthening of the coordination of emergency humanitarian assistance of the United Nations highlighted the need for OCHA to continue to strengthen its recruitment, deployment and procurement processes to accommodate the emergency requirements of new and escalating crises. It stated that effective humanitarian response requires the timely deployment of staff and assets as well as streamlined financial management.

41.   Between January 2012 and September 2016, OIOS completed several audits of OCHA which identified systemic issues that could impact the achievement of CRD strategic objectives, for which 21 recommendations remained open as of audit date. The open recommendations relate mainly to: special measures in human resources, field procurement, administration and delegation of financial authority and Umoja implementation.

42.   OCHA is yet to develop a strategy to exercise special measures as authorized under General Assembly resolution 46/182 in administering its staff and other resources. However, in the case of procurement, the Executive Officer was granted procurement delegation of authority of up to $40,000 in December 2016, and the Department of Management raised the limit for low value procurement from $4,000 to $10,000. OCHA's authority to certify travel requests was sub-delegated to 32 field offices. OCHA also introduced service hubs in Bangkok, Geneva, Nairobi and New York to further leverage Umoja functionality. These actions are expected to address some immediate challenges faced in the country offices that were attributed to Umoja implementation.

43.   Also, in response to the functional review report, OCHA established an Administration Taskforce to evaluate options for change in OCHA's administrative support systems. To effectively execute its role, the Taskforce would need to objectively evaluate all viable options to improve administrative support systems, including consideration of internal options such as special measures.

> **(9) OCHA should, in coordination with the Department of Management, evaluate all viable options to improve its administrative support systems as part of a comprehensive strategy to exercise special measures under General Assembly resolution 46/182 covering all aspects of administration to effectively support the delivery of its mandate.**
>
> *OCHA accepted recommendation 9 and stated that it was currently reviewing its administrative support systems as part of the change management process.* Recommendation 9 remains open pending receipt of a comprehensive strategy to exercise special measures under General Assembly resolution 46/182 in order to improve all aspects of OCHA's administrative support systems.

V.   ACKNOWLEDGEMENT

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

(*Signed*) Eleanor T. Burns
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STATUS OF AUDIT RECOMMENDATIONS

Audit of the coordination and response function in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical[1]/ Important[2]	C/ O[3]	Actions needed to close recommendation	Implementation date[4]
1	OCHA should allocate resources to review and update all policy instructions that are overdue for review.	Important	O	Submission of evidence of review and update of overdue policy instructions.	31 December 2019
2	OCHA should implement a formal mechanism to monitor implementation of policy instructions, with periodic reporting to the Executive Management Committee.	Important	O	Submission of a copy of the formal monitoring mechanism of policy instructions.	30 June 2019
3	OCHA should implement a comprehensive risk management framework that supports effective identification, analysis, monitoring and reporting of risks.	Important	O	Submission of evidence of implementation of the risk management framework.	31 December 2019
4	OCHA should: (i) review its strategic plan and develop the 2018-2021 plan in a logical framework that is better aligned with its core functions and the biennial strategic framework; and (ii) prepare its workplans and cost plans for Headquarters and field offices following the structure of the new strategic plan.	Important	O	Submission of the 2018-2021 strategic plan that is aligned with OCHA's core functions and 2018 workplans and cost plans that are prepared following the revised structure.	30 November 2017
5	OCHA should revise its organizational structure to optimize the delivery of each core function after the conclusion of the ongoing activity baseline survey.	Important	O	Submission of the new OCHA organizational structure that optimizes the delivery of each core function.	30 June 2017
6	OCHA should take action to ensure that the programmatic and financial information disclosed in its annual reports are consistent with the performance results of its core functions or subprogrammes as presented in the biennial	Important	O	Submission of the first OCHA annual report in which programmatic and financial information are presented in line with the performance results of OCHA's core functions or subprogrammes.	31 December 2019

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[1] Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

[2] Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or 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 OCHA in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the coordination and response function in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical[1]/ Important[2]	C/ O[3]	Actions needed to close recommendation	Implementation date[4]
	strategic framework and programme budget proposals.				
7	OCHA should review reporting lines within the Coordination and Response Division to maintain a reasonable span of control for the Deputy Director.	Important	O	Submission of evidence that the reporting lines within CRD have been reviewed.	31 December 2017
8	OCHA should establish a process to measure and report on the performance of the Coordination and Response Division.	Important	O	Submission of the adjusted OCHA performance management system.	31 December 2017
9	OCHA should, in coordination with the Department of Management, evaluate all viable options to improve its administrative support systems as part of a comprehensive strategy to exercise special measures under General Assembly resolution 46/182 covering all aspects of administration to effectively support the delivery of its mandate.	Important	O	Submission of a comprehensive strategy to exercise special measures under General Assembly resolution 46/182 in order to improve all aspects of OCHA's administrative support systems.	30 June 2017

APPENDIX I

Management Response

Management Response

Audit of the coordination and response function in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
1	OCHA should allocate resources to review and update all policy instructions that are overdue for review.	Important	Yes	OASG	December 2019	In a Note to OCHA's senior management on the status of OCHA's Policy and Guidance Management System, in December 2016, SPEGS suggested a revamp of the organization's Guidance function alongside the processes within the ongoing Change Management. This will lead to the review of all overdue policy instructions by the mid-term of OCHA's next Strategic Framework 2018-21, i.e., by end-2019.
2	OCHA should implement a formal mechanism to monitor implementation of policy instructions, with periodic reporting to the Executive Management Committee.	Important	Yes	OASG	June 2019	OCHA will develop a formal mechanism for monitoring the implementation of policy instructions. While the mechanism is under development, efforts will be made to strengthen the monitoring of guidance best practices and challenges identified through audits and evaluations. The Executive Management Committee will discuss and review guidance as part of the revamping of the guidance function in OCHA.
3	OCHA should implement a comprehensive risk management framework that supports effective	Important	Yes	OASG	December 2019	OCHA, with support from the Department of Management, will implement an effective enterprise risk

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[1] Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

[2] Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or 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 coordination and response function in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
	identification, analysis, monitoring and reporting of risks.					management framework based on the common Policy and Methodology, using the Guide for Managers and relevant tools and templates shared by the Department of Management in November 2016.
4	OCHA should: (i) review its strategic plan and develop the 2018-2021 plan in a logical framework that is better aligned with its core functions and the biennial strategic framework; and (ii) prepare its workplans and cost plans for Headquarters and field offices following the structure of the new strategic plan.	Important	Yes	OASG	November 2017	OCHA's five core functions are clearly reflected within the 10 strategic objectives of the current Strategic Framework. OCHA headquarters and field offices currently prepare work plans and reports according to these strategic objectives, effectively reflecting implementation of core functions. The change management process already underway in OCHA is working to ensure that the 2018-2021 strategic plan is aligned with OCHA's core functions. The next planning guidance for work plans and cost plans of headquarters and field offices will be prepared in September 2017 following the structure/outline of the new strategic plan that will be ready by July 2017.
5	OCHA should revise its organizational structure to optimize the delivery of each core function after the conclusion of the ongoing activity baseline survey.	Important	Yes	OUSG	June 2017	Under OCHA 's change management process, OCHA has set an organizational alignment task team to develop proposals for new organizational structure. The final

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Audit of the coordination and response function in the Office for the Coordination of Humanitarian Affairs

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						structural changes expect to increase efficiency by reducing functional overlaps and fragmentation. The task team is expected to complete its work by June 2017.
6	OCHA should take action to ensure that the programmatic and financial information disclosed in its annual reports are consistent with the performance results of its core functions or subprogrammes as presented in the biennial strategic framework and programme budget proposals.	Important	Yes	OUSG	December 2019	The change management process underway at OCHA is working to ensure that OCHA can effectively deliver each of its five core functions across the organization. This change process is also expected to align the 2018-2021 strategic plan with OCHA's core functions. From 2018, OCHA expects to implement results-based budgeting (RBB), which will enable OCHA to improve the accuracy of all financial information, including that presented in the biennial Strategic Framework and budget proposals and annual reports.
7	OCHA should review reporting lines within the Coordination and Response Division to maintain a reasonable span of control for the Deputy Director.	Important	Yes	CRD	December 2017	The analysis informing this recommendation reflects the weakness of a single deputy model and the relatively low grading of the P-5 geographical section chiefs compared with their counterparts in DPKO and DPA, who are all at the D-1 or D-2 level. A rationalized management structure that reduces individual span of control would see harmonization of grades across the Secretariat which would increase the number of Deputies in the Division.

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Audit of the coordination and response function in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
						OCHA will review reporting lines pending the outcome of the change management process.
8	OCHA should establish a process to measure and report on the performance of the Coordination and Response Division.	Important	Yes	CRD	December 2017	OCHA has existing processes for measuring and reporting on OCHA performance, including quarterly (operational) and end-of- the year (strategic) reviews of progress against annual targets and strategic Goals at both the corporate and field levels. In addition, all headquarters branches and all country and regional offices also provide narrative reporting each year on their annual work plans. OCHA does not have a separate headquarters division-level performance monitoring and reporting process, as headquarters reporting is done at the branch level. Each of OCHA's branches is managed by a director at the DI level. Because CRD has only one DI-level director, the division comprises just one branch. OCHA 's two other divisions both have multiple directors, each heading up separate branches. CRD, as a division, therefore, performs like a branch with one work plan. CRD monitors its work plan implementation and reports on OCHA's strategic and management

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						indicators, and prepares an annual report of its work plan, in accordance with the reporting requirements as outlined by SPEGS. For Strategic Goal 1, quarterly reviews are led by CRD's director and include participation of all relevant branches and sections. The annual reports of each branch and field office are submitted SPEGS, which prepares an internal annual report on OCHA's performance against agreed targets and indicators. In addition, the Senior Management Team, chaired by the ASG, discusses OCHA's progress, challenges and opportunities implementing the strategic plan during the annual planning exercise where each of the three divisional directors (including CRD) provide progress update reports and respond to ASG/USG questions on their Division ' s performance. OCHA's performance management system will be adjusted for 2018-21 planning cycles in line with planned changes in the management and organizational structure.
9	OCHA should, in coordination with the Department of Management, evaluate all viable options to improve its administrative support systems as part of a	Important	Yes	OUSG	June 2017	As part of the Change Management Process, OCHA is currently reviewing its administrative support systems.

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Audit of the coordination and response function in the Office for the Coordination of Humanitarian Affairs

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation Date	Client comments
	comprehensive strategy to exercise special measures under General Assembly resolution 46/182 covering all aspects of administration to effectively support the delivery of its mandate.					