



INTERNAL AUDIT DIVISION

REPORT 2022/029

Audit of the Container Control Programme at the United Nations Office on Drugs and Crime

**There is need to strengthen results-based
management and some aspects of strategic
planning and programme management**

30 June 2022

Assignment No. AE2021-360-03

Audit of the Container Control Programme at the United Nations Office on Drugs and Crime

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the Container Control Programme (CCP) at the United Nations Office on Drugs and Crime (UNODC). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring effective management of CCP at UNODC. The audit covered the period from January 2019 to December 2021 and included a review of: (a) strategic planning; (b) programme management; and (c) the regulatory framework.

The success and positive impact of CCP activities was recognized by stakeholders and evidenced by the continued growth in the number of participating countries and the number of seizures of illicit goods over the years. However, CCP needs to strengthen results-based management and some aspects of strategic planning and programme management in line with its increased size and scope.

OIOS made 10 recommendations. To address the issues identified in the audit, UNODC needed to:

- Use lessons learned from CCP to clarify and strengthen the strategic planning process for large ongoing global programmes which have no foreseen end date;
- Strengthen the results-based management framework for CCP;
- Conduct a donor mapping exercise for CCP to expand its donor base, and use the results to update its resource mobilization strategy and develop a fundraising plan;
- Coordinate with the Research and Trend Analysis Branch to explore opportunities to enhance the analysis and use of data generated by CCP;
- Establish mechanisms to monitor the use of CCP Unit Dashboards and monitoring tools;
- Update the logical framework for CCP to include appropriate performance indicators on training;
- Develop guidelines for CCP on engagement with the private sector and identify performance indicators for assessing the effectiveness of its cooperation with the private sector;
- Coordinate with the World Customs Organization to review the use of the communication tools provided to the Port and Air Control Units to help identify measures for their more effective use;
- Ensure that the memoranda of understanding signed with the beneficiary countries have reference to the project document as an integral part of the agreement; and the project document includes clauses on suspension, force majeure and zero tolerance for sexual harassment and abuse; and
- Establish a procedure to regularly review low-value acquisitions to help identify and address any cases of splitting of requirements.

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

CONTENTS

I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	2
III. AUDIT RESULTS	2-9
A. Strategic planning	2-5
B. Programme management	5-8
C. Regulatory framework	8-9
IV. ACKNOWLEDGEMENT	9
ANNEX I	Status of audit recommendations
APPENDIX I	Management response

Audit of the Container Control Programme at the United Nations Office on Drugs and Crime

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the Container Control Programme (CCP) at the United Nations Office on Drugs and Crime (UNODC).
2. CCP is a global programme initiated in 2004. Its overall objective is to create functioning multi-agency Port Control Units and Air Cargo Control Units at identified sea, land, and airports to improve the security of the international containerized trade supply chain and raise the capacity of law enforcement officials to effectively profile and detect illicit goods in high-risk shipments.
3. CCP has three targeted outcomes stipulated in its logical framework: (i) law enforcement officials in newly created Units apply the acquired technical skills on container controls in their daily work; (ii) law enforcement agencies and the private sector in targeted ports cooperate effectively on container control matters; and (iii) new tools and mechanisms for collection, sharing and analysis of information about container crime regularly and these are effectively used on a national, regional and international level as appropriate.
4. CCP is co-implemented with the World Customs Organization (WCO) - an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of customs administrations. WCO represents 183 customs administrations across the globe that collectively process approximately 98 per cent of world trade. In CCP, WCO is responsible for providing strategic advice and supporting the provision of training and communication materials to customs and law enforcement officers.
5. CCP's main activity is the establishment of Units. The process of establishing a new Unit entails: (i) signing of a cooperation agreement with the beneficiary country; (ii) conducting a port assessment to determine the security level and to define the port situation, training, and other needs; (iii) establishment of the Unit and roll-out of training and installation of technical tools; and (iv) continuous mentorship and oversight of the Unit's performance.
6. As of March 2021, CCP was operating in 73 countries and had contributed to the establishment of 129 Units of which 20 were established in the period 2019 to 2021. According to CCP annual reports, as of end of 2020, the Units had contributed to a total of 900 seizures, comprising over 300 tons of cocaine, over 71 tons of cannabis, around 6,500 kilograms of heroin, over 800 kilograms of psychotropic substances, over 1,800 kilograms of new psychotropic substances, over 1,720 tons of precursors for drugs and explosives, over 170 shipments relating to environmental crime and over 100 strategic trade and dual-use shipments.
7. CCP is managed by a Senior Programme Coordinator at P-5 level based in the Division for Treaty Affairs at UNODC headquarters. CCP had 55 staff and personnel consisting of 24 international professional staff (20 fixed term and 4 temporary appointment); 8 general service staff; 21 service contractors; 1 national professional staff and 1 United Nations Volunteer. The workforce structure has regional and national programme coordinators (Regional Coordinators) for the 12 regions where CCP operates.
8. The 2020-2021 budget of CCP was \$27.14 million (\$13.12 million in 2020 and \$14.02 million in 2021). As at the end of 2020, total cumulative expenditure since inception in 2004 was \$88.3 million.

9. Comments provided by UNODC are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

10. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring effective management of CCP at UNODC.

11. This audit was included in the 2021 risk-based work plan of OIOS due to inherent risks associated with the implementation and management of a large global programme.

12. OIOS conducted this audit from December 2021 to April 2022. The audit covered the period from January 2019 to December 2021. Based on an activity-level risk assessment, the audit reviewed risk areas relating to: (a) strategic planning; (b) programme management; and (c) the regulatory framework.

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

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

III. AUDIT RESULTS

A. Strategic planning

The positive impact of CCP activities was recognized by stakeholders

15. Review of programme documents and interviews showed that CCP stakeholders including donors, partners, consultants and other UNODC Divisions consistently appreciated that CCP was result-oriented and was having impact in the fight against international smuggling of illicit goods and providing value-added services to law enforcement agencies. The success of the programme is evidenced by the continued growth in the number of participating countries, number of Units established and number of seizures of illicit goods over the years. The continuous funding of the programme and expansion in scope are also success indicators. CCP was originally designed to detect smuggling of drugs in containers, and subsequently expanded to 13 more specialized areas of trainings. CCP adopted a good practice of involving all relevant law enforcement agencies in its trainings regardless of whether they were part of the Units. CCP was also effectively coordinating with other UNODC border management related technical cooperation programmes and had developed an effective partnership with WCO. An independent evaluation of the programme is scheduled for 2023, which should enable assessment of the programme's impact. The gaps and issues identified in the audit and discussed later in this report indicate areas where CCP needs to strengthen and formalize some of its strategic planning and programme management practices in line with the programme's increased size and scope.

Need to clarify and strengthen the strategic planning requirements for large global programmes

16. CCP is guided by UNODC global and regional strategies and had developed a project document which was its formal plan and strategy document. However, the project document had not been substantively revised despite the significant increase in CCP's accumulative budget from \$5 million in 2009 to \$136 million in 2022 and increase in its size and scope. The 12 revisions of the project document done since 2009 stated that there was no change in the project conditions, objectives, and risks.

17. As an alternative good practice, since 2012, CCP has been developing four-to-five-year strategies. However, the strategy for 2018-2023 was still a draft and this affected its quality (since it was incomplete) and utility. Regional Coordinators questioned the purpose of the strategy document and expressed concerns as it had not been finalized. Also, some of the proposals included in the strategy, such as the establishment and functions of an advisory group were not followed through. CCP explained that the strategy document was not finalized and formally approved because they considered it as an internal informal planning document, since the UNODC policy framework did not have a mandatory requirement for the preparation of such standalone strategies for global programmes.

18. At the time of the audit, CCP was working on the strategy for 2022-2025. The draft strategy comprehensively addressed CCP commitments, expected development, use of technology, new initiatives, and management tools such as governance mechanisms, risk assessment, human resources requirements and visibility goals for the upcoming years. Although it was a good strategy document, there was a risk that its use would not be optimized if it remains an informal draft document that is not formally reviewed and approved, similar to the 2018-2023 strategy.

19. The new UNODC management instructions on “Global Programme Development, Approval and Revision process” issued in 2021 requires all programmes that are over five years old to undergo substantial revision to be approved by the Executive Director. It was not clear whether the CCP draft strategy for 2022-2025 would be reviewed and approved as a standalone strategy document in lieu of substantive revision of the project document; or whether CCP would substantively revise its project document in line with the new management instructions and ensure it incorporates all important elements in the draft strategy. Further, it would be useful to involve relevant stakeholders in the review of the strategy document before it is finalized to help ensure that coordination issues with other UNODC programmes are adequately considered. The CCP experience shows the need for UNODC to clarify the strategic planning process for large and long-term global programmes.

(1) UNODC should use the lessons learned from the Container Control Programme to clarify and strengthen the strategic planning process for large ongoing global programmes which have no foreseen end date.

UNODC accepted recommendation 1 and stated that it will address the recommendation at the corporate level and CCP will contribute to and share its best practices at the internal discussions on strengthening the strategic planning process for large ongoing global programmes which have no foreseen end date.

Need to strengthen results-based management tools

20. CCP adopted several results-based management (RBM) tools including: (i) a programme logical framework with project objectives, three outcomes and six outputs, as well as baselines and targets; (ii) regional work plans; and (iii) a performance reporting framework that included internal quarterly and annual progress reports and external annual reports. Some aspects of the RBM framework needed to be strengthened as discussed below:

(a) There were no outcome level indicators for two of the outcomes in the logical framework: the one relating to law enforcement officers applying acquired technical skills in their work, and that relating to cooperation with the private sector. Further, the logical framework baselines are designed for the establishment of new Units, and they describe situations where there is no detection, no communication, and no seizures before CCP’s intervention. There were no baselines assessed and established for those situations in which the beneficiary country was already engaged in detection and seizures

(b) The quarterly and annual progress reports were regularly prepared based on the objectives and outcomes stipulated in the logical framework. However, the annual progress reports did not address the extent to which key performance targets set in the logical framework such as number of illicit goods detected per Unit per month were achieved. Also, for the external annual report, the outcomes and indicators were not aligned with those in the logical framework and their wording was different. It is essential that such external reports are aligned to the logical framework for effective performance reporting to external stakeholders.

(c) CCP developed a risk register, but it was still in draft with some sections of the register such as the section relating to lack of funding not completed. Some of the Regional Coordinators were not aware of the draft risk register. As noted earlier in the report, the 12 project document revisions since 2009 did not address potential changes on conditions and risks of the programme.

21. CCP needs to update its RBM framework to address the gaps noted in order to ensure effective performance, accountability, and risk management.

(2) UNODC should strengthen its results-based management framework for the Container Control Programme by ensuring that: (a) objectives in the logical framework and annual performance reports are fully aligned; (b) targets are established, measured and reported for all outcomes and outputs; and (c) risk assessments are regularly updated.

UNODC accepted recommendation 2 and stated that CCP will discuss this recommendation during the upcoming CCP Annual Coordinators' Meeting in Vienna in August 2022. The plan of action will include: (a) developing a new logical framework as a follow up to the Vienna meeting; (b) substantive project revision with revised logical framework and risk register; and (c) alignment of annual performance reports with revised project document.

Need to conduct a donor needs assessment and mapping exercise and develop a fund-raising plan

22. As indicated in the UNODC Fundraising, Policy and Procedures (UNODC/MI/6/Re3), fundraising prospects and plans are an integral part of programme development. At the time of the audit, CCP had a fund balance of around \$40 million which was equivalent to resources required for three to four years and was therefore a healthy financial situation for the programme. However, for the last five years, CCP largely depended on funds from two donors who provided 75 per cent of the funding. One donor provided 63 per cent and the other one 12 per cent of the total programme needs. Some Regional Coordinators indicated that such dependency affected the programme's independence in determining its priorities. CCP had developed a resource mobilization strategy and explained that it continuously makes efforts to engage with a variety of donors. To further strengthen its fundraising efforts, CCP needs to conduct a donor needs assessment and mapping exercise and develop a fundraising plan with goals and measurable indicators in line with the guidance in UNODC/MI/6/Re3.

(3) UNODC should: (a) conduct a donor mapping exercise for the Container Control Programme to expand its donor base and use the results to update its resource mobilization strategy; and (b) develop a fundraising plan for the Container Control Programme to operationalize its resource mobilization strategy.

UNODC accepted recommendation 3 and stated that CCP will discuss this recommendation with the Co-financing and Partnership Section during the upcoming CCP Annual Coordinators' Meeting in Vienna in August 2022. It will, thereafter, update its existing CCP resource mobilization strategy by: (a) conducting a donor mapping exercise; and (b) developing a fundraising plan for CCP to

operationalize its resource mobilization strategy and monitor implementation at least on an annual basis.

Need to coordinate with the Research and Trend Analysis Branch to report on container crime trends

23. In line with the Secretariat's data strategy, the UNODC 2020 strategy promotes evidence-based crime prevention policies and practices and supports strong data analytics as a strategic asset of the Organization. The CCP annual report is a good tool for presenting the programme's results and successes and it included data on programme results such as the number of seizures by the different Units. However, there were additional opportunities for using the CCP rich dataset which needed to be fully explored in coordination with the UNODC Research and Trend Analysis Branch. For instance, there was no analysis showing whether the Units network was aligned with major container routes and also no analysis of emerging trade practices regarding the use of container shipments for smuggling of drugs and other illicit goods. The research work could also include analysis of emerging or evolving trends related to containerized shipments that could be done using the broader data available in other areas of UNODC. Such analysis would help ensure that interventions are data driven and could help to provide comprehensive assessment of CCP's impact on the containerized supply chain of illicit traffic.

(4) UNODC should coordinate with the Research and Trend Analysis Branch to explore opportunities to enhance the analysis and use of data generated by the Container Control Programme.

UNODC accepted recommendation 4 and stated that subject to funding becoming available, CCP will pursue this recommendation in coordination with the Research and Trend Analysis Branch. The plan of action will include: (a) development of the concept for enhanced analytical work; (b) working meetings with the Research and Trend Analysis Branch on the possibility of producing joint analytical reports; and (c) developing a pilot joint analytical work.

B. Programme management

Need to monitor the use of Unit Dashboards and Independent Assessments

24. To monitor and assess the maturity of established Units, in 2016 CCP developed two monitoring tools: Unit Dashboards and Independent Assessments. The first is an "MS Word" document which includes information on staffing, training and results of the Units, among others. The second tool relates to independent assessments conducted by external consultants to review the performance of the Units. CCP did not have guidelines setting the terms of reference of the two tools including how frequently they should be administered and how the results would be used. During the audit, CCP stated that the two monitoring tools should be administered every two years. CCP did not also have a centralized repository for the Unit Dashboards and Independent Assessments nor a mechanism to consolidate the data, information and results reported in the two tools. During the audit it took long to get data on the use of the tools which was evidence that the information was not easily accessible. The use of the two monitoring tools was not consistent across the various countries: 3 of the 37 countries with Units established in the period 2014-2019 had no Unit Dashboards and 25 of the 37 countries had no Independent Assessments. The gaps noted need to be addressed to facilitate effective use of the tools for monitoring and to optimize the use of data and information from the tools.

(5) UNODC should establish mechanisms to monitor the use of the Container Control Programme Unit Dashboards and Independent Assessments monitoring tools.

UNODC accepted recommendation 5 and stated that CCP will discuss this recommendation during the upcoming CCP Annual Coordinators' Meeting in Vienna in August 2022. The plan of action will include utilizing a document (Excel table) that maps Dashboards and Independent Assessments as a basis for the monitoring tool. CCP will request CCP Country and Regional Coordinators to further improve and update this document on a semi-annual basis.

Need to guide and monitor the institutionalization of training

25. Training of law enforcement officers is a common activity for UNODC technical cooperation programmes and the most resource-intensive activity of CCP. “Law enforcement officials in newly created Units apply the acquired technical skills on container controls in their daily work” is one of the three outcomes of CCP. CCP had established a comprehensive training programme that included two training packages covering general training and specialized/practical trainings as well as continuous mentoring and on the job training. Refresher trainings were also organized during mentoring visits of CCP personnel when funds were available. At the time of the audit, CCP offered 13 specialized training modules and nine new modules were under development. During the pandemic period, CCP implemented hundreds of virtual training sessions.

26. Further, the Regional Coordinators confirmed that standard operating procedures explaining the accountability of Units and promoting institutionalization of training were adopted by beneficiary countries. Other good practices established by some of the beneficiary countries to facilitate institutionalization of training and knowledge included: (a) distribution of electronic copies of the training materials to all new Unit members; (b) Regional Coordinators liaising with local academies to institutionalize training modules into their curriculum and/or developing training of trainers schemes; (c) regions adopting “model control container facilities” to facilitate standard and practical training practices; and (d) trainers looking for “champions” within the class to be a source of knowledge for addressing questions locally.

27. However, the CCP logical framework did not include outcome and output indicators on institutionalization of training. Such indicators and related targets are important in guiding initiatives to institutionalize training and facilitating effective reporting and monitoring of the results and impact of the initiatives. Effective monitoring could help in identifying gaps that need to be addressed to enhance the institutionalization of training and sustainability of programme results.

(6) UNODC should update the logical framework for the Container Control Programme to include appropriate output and performance indicators on training.

UNODC accepted recommendation 6 and stated that CCP will discuss this recommendation during the upcoming CCP Annual Coordinators' Meeting in Vienna in August 2022. The plan of action will include: (a) developing a new logical framework with training institutionalization component; and (b) substantive project revision that includes appropriate output and performance indicators on training.

Need for guidance on engagement with the private sector

28. Effective cooperation between law enforcement agencies and the private sector on container control matters is one of the three defined outcomes of CCP. CCP engages with private sector entities at local and global level as part of the training curriculum and by inviting private sector representatives to events and initiatives. In 2019 to 2022, CCP planned several initiatives to engage with shipping companies and other representatives of the private sector although some could not take place because of the COVID-19 pandemic. The CCP logical framework had output level indicators for engagement with the private sector including annual number of meetings and number of signed engagements with private sector entities within three years. However, the performance indicators were not measured or addressed in the annual reports.

The Regional Coordinators stated that the indicators were not practical and could not be reported. The annual report and the quarterly progress reports listed events with the private sector, but there was no assessment of the quality and impact of the engagement, which is the goal of the programme. Further, there was no guidance on engagement with the private sector and the extent of engagement varied region by region. The Regional Coordinators stated that the engagement was still sub-optimal due to lack of commitment by the private sector counterparts.

(7) UNODC should develop guidelines for the Container Control Programme on engagement with the private sector and identify measurable output and outcome level performance indicators for assessing the effectiveness of its cooperation with the private sector.

UNODC accepted recommendation 7 and stated that CCP will discuss this recommendation during the upcoming CCP Annual Coordinators' Meeting in Vienna in August 2022 and will develop a strategic paper on engagement with the private sector and based on that, will develop guidelines and tips.

Need to report on the use of communication tools

29. CCP provides communication software and tools for the implementation of the programme. These include two secure web-based communication tools (the ContainerCOMM and AirCargoCOMM) developed by WCO who administers accounts access and collects statistics on their use. As of 2021, 100 countries with more than 1,400 users had adopted the communication tools. The CCP logical framework set a target of five alert messages shared per Unit per month via the communication tools. However, the annual progress report only listed Units with access to the communication tools and did not report on the number of alert messages shared. ContainerCOMM was the only approved communication tool for international communications but in some regions its use was inconsistent. Some Regional Coordinators indicated that the tools were not user-friendly and that some law enforcement agencies preferred using other less secure social media channels because they are more practical. The risks associated with possible ineffective use of the communication tools were not included in the programme draft risk register and logical framework. CCP needs to assess and monitor the effectiveness of the use of the communication tools provided to the Units and identify areas of improvement.

(8) UNODC should coordinate with the World Customs Organization to review the use of the communication tools provided to the Port and Air Control Units to help identify measures for their more effective use.

UNODC accepted recommendation 8 and stated that the plan of action will include: (a) collecting feedback from beneficiary countries; and (b) holding a working level meeting with WCO staff to agree on steps to review the use of the communication tools and identify measures for their more effective use.

Need to strengthen the clauses in the memoranda of understanding with beneficiary countries

30. When engaging with beneficiary countries regarding the establishment of new Units, CCP signs Memoranda of Understanding (MOUs) or similar formal documents. This helps to ensure there is a common understanding of the project by both parties and provides the framework of cooperation for the programme. The MOUs outline the deliverables, schedule for implementation and legal clauses such as amendments, confidentiality, intellectual property rights, privileges and immunities, settlement of disputes and use of names and emblems. The MOUs did not however have a reference to the CCP project document where important elements integral to the agreement such as logical frameworks, workplans, oversight arrangements and risks are addressed. In addition, the project document did not include important clauses such as suspension and force majeure clauses and the parties' commitment to zero tolerance for sexual

harassment and abuse. Such clauses need to be mainstreamed in the project document to protect the organization's interests.

(9) UNODC should ensure that: (a) the memoranda of understanding signed with the beneficiary countries have reference to the project document as an integral part of the agreement; and (b) the project document includes clauses on suspension and force majeure and on zero tolerance for sexual harassment and abuse.

UNODC accepted recommendation 9 and stated that CCP has already started including a reference to the relevant project document in MOUs with beneficiary countries and will continue doing so. Through the substantive project revision, CCP will ensure that the project document includes clauses on suspension and force majeure and on zero tolerance for sexual harassment and abuse. While CCP is working on the MOUs with beneficiary countries and on the relevant project documents, UNODC will be addressing this recommendation at the corporate level to ensure that: (a) MOUs with beneficiary countries include a reference to the relevant project document; and (b) project documents include clauses on suspension and force majeure and on zero tolerance for sexual harassment and abuse.

C. Regulatory framework

CCP complied with the policy for recruitment, training, travel and assets management

31. CCP hired 26 consultants and 10 service contractors during the period 2019-2021. OIOS reviewed the selection process of 15 consultants and service contractors and found no exceptions. CCP was also monitoring staff and personnel compliance with the nine United Nations mandatory training programme and recorded a 94 per cent compliance rate. With regards to travel, in 2019-2021 CCP issued 1,148 travel requests for staff and non-staff personnel worth about \$3.5 million. OIOS reviewed 35 travel requests and noted that travels were in line with programme outputs and late travel requests were justified. Controls relating to property write off were also working satisfactorily. Inventory of assets were properly maintained and procedures for processing write offs were in place. During the period 2019-2021, properties worth \$581,000 were written-off mainly through transfer to the beneficiaries. The write-offs were approved by the Local Property Survey Board and handover notes were signed by both UNODC and the beneficiaries.

The continuous use of service contractors for functions similar to staff needs to be reviewed

32. The United Nations policy framework prohibits the use of consultants for periods longer than 24 out of 36 months and requires that when consultants are used for functions similar to staff, a strategy for long-term regular staffing should be developed. Service contractors are regulated under the United Nations Development Programme policy framework and there is no UNODC internal policy guiding their use. Service contractors represented 38 per cent of the CCP workforce and five of the contractors had been in the same function for more than five years. Four of the five long-serving contractors were performing regular functions that should be performed by staff: three were responsible for the national implementation of the programme and one was a Regional Coordinator. The use of service contractors for regular functions that should be performed by staff is a systemic issue at UNODC that was previously reported in the OIOS audit on the use and management of service contractors at UNODC (Report 2021/035). OIOS had recommended that UNODC liaise with the Department of Operational Support to develop an internal policy on service contractors. The implementation of that recommendation was still in progress.

Need to ensure compliance with procurement delegation of authority thresholds

33. For the period 2019-2021 CCP issued 2,095 purchase orders (PO) worth \$9.81 million. OIOS reviewed 30 procurement transactions above the low-value acquisition (LVA) threshold (\$10,000) and found no exceptions. OIOS also analyzed all 1,416 LVA purchase orders representing 68 per cent of all purchase orders. The analysis identified 10 instances involving 20 purchase orders totaling \$181,626 where the requisitions were split, and multiple purchase orders were issued to the same vendor or different vendors to avoid going beyond the \$10,000 LVA threshold. In three cases involving six purchase orders, the services/goods were delivered to the same location within short intervals. The splitting of requisitions may have been done to bypass the delegated procurement authority for LVA. The UNOV/UNODC Procurement Unit needs to regularly review the use of LVAs to identify and address any splitting in purchases. Such reviews may also be useful in identifying recurring purchases that need to be consolidated.

(10) UNODC should establish a procedure to regularly review low-value acquisitions to help identify and address any cases of splitting of requirements.

UNODC accepted recommendation 10 and stated that the UNOV/UNODC Procurement Unit will develop a tool, subject to centrally made available dashboards by United Nations Headquarters and complementary to them; and will establish a procedure for UNODC field offices to review LVAs on a regular basis.

IV. ACKNOWLEDGEMENT

34. 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.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the Container Control Programme at the United Nations Office on Drugs and Crime

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNODC should use the lessons learned from the Container Control Programme to clarify and strengthen the strategic planning process for large ongoing global programmes which have no foreseen end date.	Important	O	Receipt of evidence of measures implemented by UNODC to strengthen the strategic planning process for large ongoing global programmes.	31 December 2023
2	UNODC should strengthen its results-based management framework for the Container Control Programme by ensuring that: (a) objectives in the logical framework and annual performance reports are fully aligned; (b) targets are established, measured and reported for all outcomes and outputs; and (c) risk assessments are regularly updated.	Important	O	Receipt of evidence of action taken to strengthen the RBM framework.	31 December 2023
3	UNODC should: (a) conduct a donor mapping exercise for the Container Control Programme to expand its donor base and use the results to update its resource mobilization strategy; and (b) develop a fundraising plan for the Container Control Programme to operationalize its resource mobilization strategy.	Important	O	Receipt of evidence of action taken to conduct a donor mapping exercise and develop a fundraising plan.	30 June 2023
4	UNODC should coordinate with the Research and Trend Analysis Branch to explore opportunities to enhance the analysis and use of data generated by the Container Control Programme.	Important	O	Receipt of evidence of action taken to coordinate with the Research and Trend Analysis Branch on opportunities to enhance the analysis and use of data generated by CCP.	15 June 2024
5	UNODC should establish mechanisms to monitor the use of the Container Control Programme Unit	Important	O	Receipt of details of mechanisms established to monitor the use of Dashboards and Independent Assessments monitoring tools.	30 June 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 Container Control Programme at the United Nations Office on Drugs and Crime

	Dashboards and Independent Assessments monitoring tools.				
6	UNODC should update the logical framework for the Container Control Programme to include appropriate output and performance indicators on training.	Important	O	Receipt of evidence that the logical framework has been updated to include appropriate performance indicators on training.	31 December 2023
7	UNODC should develop guidelines for the Container Control Programme on engagement with the private sector and identify measurable output and outcome level performance indicators for assessing the effectiveness of its cooperation with the private sector.	Important	O	Receipt of evidence that CCP has developed guidance on engagement with the private sector and identified appropriate performance indicators to measure and report on the results of its cooperation with the private sector.	30 June 2023
8	UNODC should coordinate with the World Customs Organization to review the use of the communication tools provided to the Port and Air Control Units to help identify measures for their more effective use	Important	O	Receipt of evidence of action taken to review the use of the communication tool in collaboration with WCO.	30 June 2023
9	UNODC should ensure that: (a) the memoranda of understanding signed with the beneficiary countries have reference to the project document as an integral part of the agreement; and (b) the project document includes clauses on suspension and force majeure and on zero tolerance for sexual harassment and abuse.	Important	O	Receipt of evidence that the MOUs have been updated to include reference to the project documents, and project document templates have been updated to include clauses on suspension, force majeure, and zero tolerance for sexual harassment and abuse.	31 December 2023
10	UNODC should establish a procedure to regularly review low-value acquisitions to help identify and address any cases of splitting of requirements.	Important	O	Receipt of evidence of action taken to regularly review low value acquisitions with a view to identifying and addressing cases of requisitioners splitting their requirements.	30 June 2023

APPENDIX I

Management Response

Management Response

Audit of the Container Control Programme at the United Nations Office on Drugs and Crime

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNODC should use the lessons learned from the Container Control Programme to clarify and strengthen the strategic planning process for large ongoing global programmes which have no foreseen end date.	Important	Yes	Secretariat of the Programme Review Committee (PRC)	December 2023	UNODC will address the recommendation at the corporate level and the Container Control Programme (CCP) will contribute to and share its best practices at the internal discussions on strengthening the strategic planning process for large ongoing global programmes which have no foreseen end date.
2	UNODC should strengthen its results-based management framework for the Container Control Programme by ensuring that: (a) objectives in the logical framework and annual performance reports are fully aligned; (b) targets are established, measured and reported for all outcomes and outputs; and (c) risk assessments are regularly updated.	Important	Yes	Senior Programme Coordinator, Container Control Programme	December 2023	UNODC accepts the recommendation. CCP will discuss this recommendation during the upcoming CCP Annual Coordinators' Meeting in Vienna in August 2022. The plan of action will include: (a) developing a new logical framework as a follow up to Vienna meeting, (b) substantive project revision with revised logical framework and risk register, and (c) alignment of annual performance reports with revised project document.
3	UNODC should: (a) conduct a donor mapping exercise for the Container Control Programme to expand its donor base and use the results to update its resource mobilization strategy; and (b) develop a fundraising plan for the Container Control Programme to operationalize its resource mobilization strategy.	Important	Yes	Senior Programme Coordinator, Container Control Programme	June 2023	UNODC accepts the recommendation. CCP will discuss this recommendation with CPS during the upcoming CCP Annual Coordinators' Meeting in Vienna in August 2022 and will, thereafter, update its existing CCP resource mobilization strategy by (a) conducting a donor mapping exercise; and (b) developing a fundraising plan for the Container Control Programme to

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

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

Management Response

Audit of the Container Control Programme at the United Nations Office on Drugs and Crime

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						operationalize its resource mobilization strategy and monitor implementation at least on an annual basis.
4	UNODC should coordinate with the Research and Trend Analysis Branch to explore opportunities to enhance the analysis and use of data generated by the Container Control Programme.	Important	Yes	Senior Programme Coordinator, CCP	June 2024	UNODC accepts the recommendation. Subject to funding becoming available, CCP will pursue this recommendation in coordination with the Research and Trend Analysis Branch (RAB). The plan of action will include: (a) development of the concept for enhanced analytical work; (b) working meetings with RAB on the possibility of the producing joint analytical report and the thematic areas; and (c) developing a pilot joint analytical work.
5	UNODC should establish mechanisms to monitor the use of the Container Control Programme Unit Dashboards and Independent Assessments monitoring tools.	Important	Yes	Senior Programme Coordinator, CCP	June 2023	UNODC accepts the recommendation. CCP will discuss this recommendation during the upcoming CCP Annual Coordinators' Meeting in Vienna in August 2022. The plan of action will include utilizing a document (Excel table) that maps Dashboards and Independent Assessments developed during the Audit as a basis for the monitoring tool. CCP will request CCP Country and Regional Coordinators to further improve and update this document on a semi-annual basis.
6	UNODC should update the logical framework for the Container Control Programme to include appropriate output and performance indicators on training.	Important	Yes	Senior Programme Coordinator, CCP	December 2023	UNODC accepts the recommendation. CCP will discuss this recommendation during the upcoming CCP Annual Coordinators' Meeting in Vienna in August 2022. The plan of action will include: (a) developing a new logical framework with training

Management Response

Audit of the Container Control Programme at the United Nations Office on Drugs and Crime

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						institutionalization component as a follow up to Vienna meeting, (b) substantive project revision that includes appropriate output and performance indicators on training.
7	UNODC should develop guidelines for the Container Control Programme on engagement with the private sector and identify measurable output and outcome level performance indicators for assessing the effectiveness of its cooperation with the private sector.	Important	Yes	Senior Programme Coordinator, CCP	June 2023	UNODC accepts the recommendation. CCP will discuss this recommendation during the upcoming CCP Annual Coordinators' Meeting in Vienna in August 2022 and will develop a strategic paper on engagement with the private sector and based on that, will develop guidelines and tips.
8	UNODC should coordinate with the World Customs Organization to review the use of the communication tools provided to the Port and Air Control Units to help identify measures for their more effective use.	Important	Yes	Senior Programme Coordinator, CCP	June 2023	UNODC accepts the recommendation. The plan of action will include: (a) collecting feedback from beneficiary countries and (b) holding a working level meeting with WCO staff to agree on steps to review the use of the communication tools and identify measures for their more effective use.
9	UNODC should ensure that: (a) the memoranda of understanding signed with the beneficiary countries have reference to the project document as an integral part of the agreement; and (b) the project document includes clauses on suspension and force majeure and on zero tolerance for sexual harassment and abuse.	Important	Yes	Senior Programme Coordinator, CCP	December 2023	UNODC accepts the recommendation. CCP has already started including a reference to the relevant project document in MOUs with beneficiary countries and will continue doing so. Through the substantive project revision, CCP will ensure that the project document includes clauses on suspension and force majeure and on zero tolerance for sexual harassment and abuse. While CCP is working on the MOUs with beneficiary countries and on the relevant project documents, UNODC will be

Management Response

Audit of the Container Control Programme at the United Nations Office on Drugs and Crime

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						addressing this recommendation at the corporate level to ensure that (a) MOUs with beneficiary countries include a reference to the relevant project document and (b) that project documents include clauses on suspension and force majeure and on zero tolerance for sexual harassment and abuse.
10	UNODC should establish a procedure to regularly review low-value acquisitions to help identify and address any cases of splitting of requirements.	Important	Yes	Chief, Procurement Unit	June 2023	UNODC accepts the recommendation. The UNOV/UNODC Procurement Unit will develop a tool, subject to centrally made available dashboards by UNHQ and complimentary to them, and will establish a procedure for UNOV/UNODC field offices to review low-value acquisitions on a regular basis by end of June 2023.