



INTERNAL AUDIT DIVISION

REPORT 2022/045

Audit of the United Nations Office on Drugs and Crime Regional Office for Southern Africa

**There is need to strengthen some aspects of
strategic planning, programme management
procurement, recruitment of consultants, and
information technology applications**

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Assignment No. AE2021-360-02


Audit of the United Nations Office on Drugs and Crime Regional Office for Southern Africa

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Office on Drugs and Crime (UNODC) Regional Office for Southern Africa (ROSAF). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring effective management of UNODC operations in the Southern Africa region. The audit covered the period from January 2020 to December 2021 and included a review of risk areas relating to: (a) strategic planning and risk management; (b) programme management; and (c) procurement, financial management, travel, human resources management, information technology, security, and asset management.

ROSAF had an ongoing Regional Programme for the period 2013-2023 that addressed its strategy and programme of work. ROSAF had also taken corrective action to address gaps noted in asset management, travel, and business continuity planning. However, the audit showed that some aspects of strategic planning, programme management and controls relating to procurement, recruitment of consultants, and information technology applications needed to be strengthened.

OIOS made 11 recommendations. To address the issues identified in the audit, ROSAF needed to:

- Develop an action plan for strengthening its fundraising capacity and presence in the region in consultation with relevant UNODC headquarters offices and stakeholders;
- Strengthen its results-based management framework;
- Assess data availability and gaps for the 15 Sustainable Development goals indicators it is responsible for to help inform its interventions and activities in this area of work;
- Develop an action plan to improve the office's control environment and ensure that all personnel undertake the mandatory training and participate in the annual leadership dialogue sessions;
- Ensure that reference checks are conducted for all new consultants, and consultancy contracts are properly executed using the correct letter head and quoting the correct general terms and conditions of contract;
- Strengthen procurement planning and monitoring to ensure that opportunities for consolidating purchases are optimized, and cases of deliberate splitting of requisitions are prevented;
- Establish appropriate mechanisms to track and recover all value added tax paid on purchases made through the local administrative service provider; and
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UNODC needed to:

- Clarify how field offices should report on the performance of their programmes and update the management instruction on performance reporting accordingly;
- Issue guidance to its field offices on the methodology for assessing and monitoring the impact of training activities; and
- Develop a mechanism for projects to establish formal agreements with beneficiary countries through which legal and other safeguards can be addressed.

UNODC and ROSAF accepted the recommendations and have initiated action to implement them.

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Audit of the United Nations Office on Drugs and Crime Regional Office for Southern Africa

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Office on Drugs and Crime (UNODC) Regional Office for Southern Africa (ROSAF).
2. ROSAF operations are headquartered in Pretoria, South Africa and cover 15 Member States of the Southern African Development Community (SADC): Angola, Botswana, the Democratic Republic of the Congo (DRC), Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, the United Republic of Tanzania, Zambia, and Zimbabwe. In addition to its headquarters in Pretoria, South Africa, ROSAF had field presences in Angola, DRC, Mozambique, and Malawi.
3. The ROSAF Regional Programme for the period 2013-2023 aims to support Member States in responding to challenges related to organized crime, security, effectiveness, and integrity of criminal justice systems, as well as drug abuse and HIV/AIDS. The Regional Programme had three pillars of intervention: (i) countering illicit trafficking and organized crime; (ii) criminal justice and integrity; and (iii) improving drug abuse and HIV prevention, treatment and care for people who use drugs, including injecting drug users and in prison settings.
4. During the period 2020-2021, ROSAF implemented a total of 20 projects with project expenditure of \$4.4 million and \$6.2 million in 2020 and 2021 respectively. Sixty-seven per cent of the 2020-2021 biennium expenditure related to global projects and 33 per cent related to country and regional projects.
5. ROSAF is headed by a Country Representative at the P-5 level. As of 31 March 2022, ROSAF had a total workforce of 53 comprising of 14 regular staff, 21 service contractors, 4 United Nations Volunteers and 14 consultants.
6. Comments provided by UNODC 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 in ensuring effective management of UNODC operations in the Southern Africa region.
8. This audit was included in the 2021 risk-based work plan of OIOS due to the risk that potential weaknesses in the management of ROSAF's operations could adversely affect implementation of UNODC's mandate in the Southern Africa region.
9. OIOS conducted this audit from April to July 2022. The audit covered the period from January 2020 to December 2021. Based on an activity-level risk assessment, the audit reviewed risk areas relating to: (a) strategic planning and risk management; (b) programme management; and (c) procurement, financial management, travel, human resource management, information technology, security, and asset management.
10. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) sample testing.

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

III. AUDIT RESULTS

A. Strategic planning and risk management

Need for an action plan to strengthen ROSAF's fundraising capacity and presence in the region

12. ROSAF's presence in the Southern Africa region is essential for effective implementation of UNODC's mandate in the region. Over 50 per cent of ROSAF's project portfolio were global programmes which were managed from headquarters with ROSAF supporting local implementation. Interviews with project managers and review of evaluation reports showed that there was good coordination with the global programmes. However, ROSAF had not been able to generate robust funding for its operations as evidenced by the low country and regional project portfolio and the fact that it relied on one donor who funded three of its four largest projects. The weak financial position made UNODC's presence in the region vulnerable and exposed it to several risk factors that could affect its sustainability and impact as discussed below.

(a) Lack of key staff posts

13. Because of its small project portfolio and limited financial resources, ROSAF was not able to invest on staff functions such as programme/operations manager or a communication specialist. Such functions are key in supporting ROSAF's operations and fundraising capacity and would help to free the Representative from some administrative tasks and enable more focus on strategic issues.

(b) Limited field presence in key countries of the region

14. ROSAF had field presence in only 5 of the 11 countries where it had project activities. Its presence and activities in some of the largest countries of the region was limited. For instance, in DRC, ROSAF had only one temporary position. Project managers and donors indicated that physical presence would help to enhance efficiency of ROSAF's operations and improve its ability to attract new funds. Further, ROSAF needed to explore options for coordinating its work with the United Nations Stabilization Mission in DRC and to clearly define goals for engagement with the United Nations Country Teams in the region. This would help to mitigate its limited field presence and optimize its impact.

(c) Increased reliance on global programmes

15. In the period 2018-2021 the expenditure of global programmes, which ROSAF does not control directly, increased from 31 per cent to 63 per cent of total expenditure with one global programme accounting for almost 50 per cent of the total expenditure. A higher proportion of global programmes meant that ROSAF had less control and flexibility on the prioritization of UNODC operations in the region.

(d) High proportion of office management costs charged to projects

16. Due to the low project portfolio, the proportion of ROSAF's office management costs to total costs (full cost recovery rate) was above the average of other UNODC field offices in three of the last four years. For example, in 2021 ROSAF's full cost recovery rate was 9 per cent and the average rate for all UNODC field offices was 7.5 per cent. This meant that office management costs charged to individual projects were higher than average and ROSAF's projects were relatively more expensive to donors.

17. With the broad mandate and funding gaps, it is essential that ROSAF optimizes its resource mobilization capacity. However, there were some gaps in ROSAF's fundraising strategy and its implementation. The 2019-2021 resource mobilization strategy did not identify funding targets and the internal controls mechanisms set in the strategy such as periodic updates of donor profiles and fund-raising needs and engagement with the private sector were not complied with. There was also a need to guide project managers to fundraise for the Regional Programme and not only focus on their projects and areas of work. Further, ROSAF needed to share its resource mobilization strategy and financial needs with the Regional Programme Steering Committee, which is responsible for, among other roles, overseeing and supporting mobilization of resources.

18. In 2019, a joint fundraising effort between headquarters and ROSAF resulted in a new project in Mozambique where UNODC had never had field presence. Project managers were of the view that the results in Mozambique was evidence of the region's appetite for UNODC interventions. There were however no formal plans for expansion of ROSAF's presence in other countries. At the time of the audit, ROSAF did not have a formal communication strategy and outreach responsibilities were decentralized at project level. Key communication tools needed to support fundraising such as the problem analysis section of the 2013-2023 Regional Programme and ROSAF's website had outdated information which could make them unattractive for interested stakeholders. The annual report was also not uploaded on the website.

19. During the audit, the newly appointed Representative reached out to Country Teams to enhance UNODC's visibility and identify focal points for the different Country Teams. Given the strategic importance of ROSAF, there is a need for UNODC headquarters to support ROSAF in strengthening its financial sustainability and presence in the region.

(1) The UNODC Regional Office for Southern Africa, in consultation with relevant UNODC headquarters offices and stakeholders, should develop an action plan for strengthening its fundraising capacity and presence in the region.

UNODC accepted recommendation 1 and stated that the Regional Representative has already put a team to work on a resource mobilization strategy in support of the Cooperation Framework. The Co-Financing and Partnership Section (CPS) will support ROSAF in the development of the fundraising action plan contingent on the regional office leading the deployment and follow-up. CPS will continue to advise ROSAF as evidenced by the scheduled coaching session on engagement with multi-partner trust funds.

Need to clarify the annual performance reporting requirement for regional programmes

20. Effective performance reporting is essential in assessing progress made in implementing the Regional Programme and identifying lessons to be learned (good practices to be built on and improvements to be made) as well as for accountability purposes. Prior to 2021, the annual programme progress report was the means through which ROSAF reported on the performance of its 2013-2023 Regional Programme. In 2021 UNODC suspended the requirement for the annual programme progress report and introduced the Annual Strategy Reporting Forms (the Forms). However, the Forms were designed more as a tool for reporting on the UNODC 2021-2024 strategy. UNODC indicated that field offices could use the reports to external stakeholders to report on the performance of regional and country programmes but did not establish clear guidance on this. The ROSAF 2021 annual report for stakeholders, for example, focused on reporting on implemented outputs and was not fully aligned to its Regional Programme.

21. UNODC explained that it suspended the annual programme progress report to avoid reporting fatigue for field offices. Given the gaps noted above, there is a need for UNODC to revisit and clarify the

reporting requirements and ensure there is an effective means for ROSAF and other regional offices to report on performance of their regional programmes. OIOS also noted that the decision to suspend the annual programme progress report was not formally endorsed by the Project Review Committee (the UNODC governing mechanism for project management issues) and was not reflected in the management instruction on reporting mechanisms (UNODC/MI/10/Rev.3 -2021). Performance reporting is an important element of programme management and therefore changes in the reporting framework should be formally approved and promulgated.

- (2) UNODC should: (a) clarify how the Regional Office for Southern Africa and other field offices should report on the performance of their programmes; and (b) update the management instructions on performance reporting accordingly.**

UNODC accepted recommendation 2 and stated that with the introduction of a progress report on the implementation of the UNODC Strategy, UNODC decided to discontinue internal programme progress reports in order not to add additional reporting burden to field offices, and because the other reports in place already provide a comprehensive accountability framework. The Chair of the Programme Review Committee (PRC) announced this decision, and it is understood that the Management Instruction on field office reporting needs to be reviewed and updated to reflect this change. Review of the terms of reference of the PRC is ongoing and expected to be finalized by the end of 2022. The PRC should be discussing a way forward to ensuring reporting standards for regional and country programmes or similar strategic documents that are not included in the IPMR system.

Need to strengthen the use of the established results-based management tools

22. Performance monitoring and evaluation are key elements of the UNODC results-based management (RBM) framework. ROSAF prepared all the performance and programme reports required by UNODC management instructions (UNODC/MI/10/Rev.3 -2021) including: (i) summary of achievements report; (ii) annual project reports; (iii) annual internal oversight reports; (iv) risk register and treatment plans; and (v) the full cost recovery barometer. However, some performance indicators in the Regional Programme and in two out of four project documents reviewed by OIOS were not measurable. Further, the summary of achievements report which was used for reporting the achievements of the annual work plan was not aligned with the work plan and some of the performance indicators in the annual work plan were also not measurable. In addition, the Regional Programme Steering Committee which was responsible for overseeing the implementation of the Regional Programme last met in 2019 although it was meant to meet twice a year. The Regional Programme results were also not evaluated in 2017 as required. OIOS noted that a final evaluation of the Regional Programme was planned for 2023. The new regional programme was also being developed at the time of the audit and it was therefore an opportune time for ROSAF to ensure that all performance indicators used are measurable and to revise terms of reference for the Programme Steering Committee based on lessons learned.

- (3) The UNODC Regional Office for Southern Africa should strengthen its results-based management framework by: (a) ensuring that all performance indicators are measurable; (b) performance reports are aligned to planning documents; and (c) the Programme Steering Committee meets in accordance with its terms of reference.**

UNODC accepted recommendation 3 and stated that it will be its priority to make sure the new Regional Strategy for South Africa has key RBM elements at the outcome level and is aligned to the cardinal planning documents – UNODC Corporate Strategy, Strategic Vision for Africa 2030, and existing Cooperation Frameworks where feasible.

Need to assess the data capacity gaps for the 15 Sustainable Development Goals assigned to UNODC

23. As co-custodian for 15 of the Sustainable Development Goals (SDG) indicators, UNODC is tasked with supporting Member States by providing monitoring and methodological guidance and other technical assistance on statistics underpinning the SDG indicators. The 2020 OIOS Evaluation of United Nations Office on Drugs and Crime (IED-19-016) acknowledged that ROSAF successfully cooperated with SADC on some data collection and analysis initiatives (on Trafficking in Person and on the Asset Recovery Inter-Agency network for Southern Africa -ARINSA). However, although data collection and analysis were an area of work with a defined outcome in ROSAF's logical framework, there were no performance indicators established for the outcome. Further, ROSAF did not have comprehensive information on the region's data collection and analysis capacity on the 15 SDG indicators it was responsible for. A known website analyzing SDG data (SDGtracker.org) showed a fragmented picture of the Southern Africa region's capacity to collect data on the 15 SDG indicators. An assessment of data gaps needs to be done as preparatory work to help inform ROSAF's interventions in the data collections and analysis area of work.

(4) The UNODC Regional Office for Southern Africa should consult with other actors in the region to assess data availability and gaps for the 15 Sustainable Development Goals indicators it is responsible for to help inform its interventions and activities in this area of work.

UNODC accepted recommendation 4 and stated that ROSAF, in partnership with the Research and Trend Analysis Branch, will develop tools, methodology and training that will enable systematic data collection. It should be noted that lack of funding and ownership may be risk factors. The Research and Trend Analysis Branch will lead the exercise in close coordination with ROSAF. A focal point was nominated by ROSAF in July 2022.

Need for a plan of action to strengthen ROSAF's control environment

24. OIOS conducted a survey to assess ROSAF's control environment. The response rate was high with 33 of 37 invitees responding (89 per cent response rate). The survey showed that around one third of the workforce was not satisfied with the way staff complaints were handled locally or at headquarters. The same percentage of staff indicated that they were not familiar with guidelines on conflict resolution. While staff stated that their deliverables were clear, 42 per cent of the respondents stated that ROSAF's organizational structure was somewhat not clear to them. ROSAF conducted regular staff meetings but around 30 per cent of survey respondents did not believe that such meetings fostered open discussions. Further, 30 per cent of ROSAF's staff and personnel had not completed the mandatory trainings and around 30 per cent of those who responded to the survey stated that they did not attend the "annual leadership dialogue initiative" where ethical standards and case scenarios are discussed. OIOS shared the survey results with the Representative and validated the results during interviews with project staff and personnel.

(5) The UNODC Regional Office for Southern Africa should: (a) develop an action plan to improve the office's control environment; and (b) ensure that all personnel undertake the mandatory training and participate in the annual leadership dialogue sessions.

UNODC accepted recommendation 5 and stated that ROSAF, with guidance from the Human Resources Management Service, will ensure that the recommended actions are implemented.

B. Programme management

Need for guidance on assessing the impact of training activities

25. Trainings and workshops were a common activity in ROSAF's projects and an important means through which ROSAF implemented its mandate. ROSAF project managers regularly monitored results of training activities at output level using level of participation and used pre and post training surveys to measure changes in knowledge of participants. However, impact level indicators, such as changes in attitude of training participants were not regularly surveyed and reported. Only one project in ROSAF was consistently measuring changes in attitude after training events by surveying participants six months after the training events. There was a need for guidance in this area to ensure that monitoring of training outcomes was consistently and effectively done. Such guidance would be relevant to all UNODC training activities and should therefore be developed and promulgated at UNODC headquarters level.

(6) UNODC should issue guidance to its field offices on the methodology for assessing and monitoring the impact of training activities.

UNODC accepted recommendation 6 and stated that UNODC headquarters under the lead of the Strategic Planning and Interagency Affairs Unit will update the existing guidance to include how to measure changes in attitudes after training activities, mainly through surveys, for the whole organization and that ROSAF would then be called to apply the guidance and implement these monitoring measures within the greatest extent possible, given resource constraints.

Need to formally agree on standard legal safeguards with project beneficiary countries

26. ROSAF project documents were used for internal purposes and were not formally signed or endorsed by beneficiary countries as this was not a mandatory requirement. There were no other documents signed by project beneficiaries and no UNODC guidance on how the relationship with the beneficiary countries should be formalized. As a result, important legal safeguards such as right to audit, procedures for amendments, copyrights, liability, and reference to the Standard Basic Assistance Agreement were not formally agreed on with beneficiary countries. ROSAF did not also formally communicate to the beneficiary countries its commitment to zero tolerance for fraud, sexual harassment and abuse while implementing technical cooperation projects.

(7) UNODC should develop a mechanism for projects to establish formal agreements with beneficiary countries through which legal safeguards and the Organization's zero tolerance for fraud, sexual harassment and abuses can be addressed.

UNODC accepted recommendation 7 and stated that the Working Group on Management Instructions will devise an annex to the Management Instruction on Programme Development which is currently under review.

ROSAF was mainstreaming gender and human rights in its projects in a satisfactory manner

27. ROSAF complied with the UNODC gender mainstreaming policy. The ROSAF regional programme and individual project documents included gender and human rights analysis. ROSAF also had a gender focal point who was active both for internal processes (recruitment and review of project documents) and in selected United Nations Country Teams in the region. All project managers collected data on event participation with gender disaggregated indicators. Human rights and do no harm principles were also appreciated by ROSAF project managers and protection of victims was an output of some ROSAF

projects. UNODC was waiting for the new United Nations Human Rights Due Diligence Policy to update its guidance framework on due diligence.

C. Regulatory framework

Arrangements for provision of administrative services were in place

28. For administrative functions, ROSAF used a mix of the UNODC Division for Management, its own resources, and a local administrative service provider for areas of work where its capacity was limited. The prices for the services provided by the local administrative service provider were correctly determined using the Universal Price List.

Need to strengthen procedures for recruitment of local consultants

29. In the period 2020-2021, ROSAF hired 20 local consultants through its local administrative service provider. OIOS reviewed the recruitment process and contracts for 10 of the 20 local consultants with individual contract values above \$5,000 and identified the following gaps which showed that the recruitment procedures needed to be strengthened:

- In seven of the 10 consultancies reviewed, there was no evidence that reference checks were done prior to the issuance of the contract. According to the local administrative service provider's guidelines for the hiring of consultants, reference checks must be completed by the requesting agency. ROSAF was not aware that it was responsible for conducting the reference checks.
- All the 10 contracts examined were signed by the local administrative service provider's official as required. However, five of the contracts were done on UNODC's letterhead, three were done on the UNODC/UNOV letterhead and two were done on the local administrative service provider's letterhead.
- In three cases, the contracts identified UNODC as hiring agency instead of the local administrative service provider as per established practice. There was also no reference to the local administrative service provider's General Conditions of Contract for Individual Contractors as required. The use of a standard contract template would help in ensuring that all required clauses are correctly incorporated in contracts.

30. ROSAF needs to consult with the local administrative service provider to clarify and strengthen practices for engaging consultants.

(8) The UNODC Regional Office for Southern Africa should issue appropriate guidance and establish review mechanisms to ensure that: (a) reference checks are conducted for all new consultants; and (b) consultancy contracts are properly executed using the correct letter head and quoting the correct general terms and conditions of contract.

UNODC accepted recommendation 8 and stated that ROSAF, with guidance from the Human Resources Management Service, will develop a checklist to ensure compliance.

Need to improve procurement planning to optimize opportunities for consolidating purchases

31. In 2020 and 2021 ROSAF issued 559 purchase orders with a total value of around \$3.86 million. Of these, 357 purchase orders with a total value of \$1.1 million were below the low-value acquisition (LVA) threshold. ROSAF prepared annual procurement plans for 2020 and 2021 and submitted them to UNODC

headquarters but the plans were not submitted to the local administrative service provider. In the period 2020-2021, ROSAF issued multiple purchase orders to four vendors (between 11 to 24 purchase orders for each vendor) for procurement of recurrent goods and services with a total value of \$240,649. Opportunities to consolidate such recurrent purchases and to establish system contracts needed to be assessed as part of procurement planning to help optimize efficiency and cost effectiveness of the procurement actions. OIOS also reviewed and analyzed 33 LVAs worth \$270,000 and identified six instances involving 14 purchase orders totaling \$116,667 where the requisitions were split to remain below the LVA threshold (\$10,000). This included provision for printing services, forensic and first aid kits, personal protective equipment, and database development services. Deliberate splitting of requisitions is an abuse of the delegated procurement authority for LVA. Splitting could also be caused by lack of proper procurement planning and reduces the chances of achieving best value for money in the procurement actions. The gaps noted show the need for ROSAF to improve procurement planning and monitoring.

(9) The UNODC Regional Office for Southern Africa should strengthen procurement planning and monitoring to help ensure that opportunities for consolidating purchases are optimized, and cases of deliberate splitting of requisitions are prevented.

UNODC accepted recommendation 9 and stated that ROSAF, under guidance from the Procurement Unit of the General Support Section, will ensure that the recommendation is implemented. Procurement Unit has developed a global acquisition plan which is already in place for 2022 and covers all UNODC operations and field offices. Procurement Unit also regularly requests updates by all procurement focal points, at least on a quarterly basis. ROSAF will monitor closely to ensure compliance.

Need to strengthen mechanisms for tracking and recovering value added tax paid

32. UNODC has a country agreement with South Africa and can recover value added tax (VAT) for all purchases. In other countries of the region, UNODC had no country agreement and ROSAF could only recover VAT from the purchases done via the local administrative service provider. In 2020 and 2021, ROSAF purchased goods and services totaling approximately \$1,711,000 via the local administrative service provider in 10 countries outside of South Africa. From these purchases ROSAF recovered VAT for the purchases made via the local administrative service provider in two countries (Malawi and Namibia). For the purchases made in the other eight countries, ROSAF had not established appropriate mechanisms to follow up and recover VAT paid. VAT rates charged in these countries ranged from 14 to 18 per cent.

(10) The UNODC Regional Office for Southern Africa should establish appropriate mechanisms to track and recover all value added tax paid on purchases made through the local administrative service provider.

UNODC accepted recommendation 10 and stated that ROSAF, under the guidance of the Financial Resources Management Service, will engage with relevant local administrative service provider.

[REDACTED]

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[Redacted]

[Redacted]

IV. ACKNOWLEDGEMENT

35. 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) Gurpur Kumar
Deputy Director, Internal Audit Division
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STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Office on Drugs and Crime Regional Office for Southern Africa

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The UNODC Regional Office for Southern Africa, in consultation with relevant UNODC headquarters offices and stakeholders, should develop an action plan for strengthening its fundraising capacity and presence in the region.	Important	O	Receipt of evidence that ROSAF has developed an action plan to strengthen its fundraising capacity and presence in the Southern Africa region.	31 December 2023
2	UNODC should: (a) clarify how the Regional Office for Southern Africa and other field offices should report on the performance of their programmes; and (b) update the management instructions on performance reporting accordingly.	Important	O	Receipt of evidence that UNODC has clarified how field offices should report on the performance of their programmes and has updated the management instructions on performance reporting accordingly.	31 March 2023
3	The UNODC Regional Office for Southern Africa should strengthen its results-based management framework by: (a) ensuring that all performance indicators are measurable; (b) performance reports are aligned to planning documents; and (c) the Programme Steering Committee meets in accordance with its terms of reference.	Important	O	Receipt of evidence of action taken to ensure that: (a) performance indicators are measurable; (b) performance reports such as the summary of achievements report are aligned to planning documents; and (c) the Programme Steering Committee meets in accordance with its terms of reference.	31 December 2023
4	The UNODC Regional Office for Southern Africa should consult with other actors in the region to assess data availability and gaps for the 15 Sustainable Development Goals indicators it is responsible for to help inform its interventions and activities in this area of work.	Important	O	Receipt of evidence of action taken to assess data availability and gaps for the 15 sustainable development goals indicators assigned to UNODC.	31 December 2023
5	The UNODC Regional Office for Southern Africa should: (a) develop an action plan to improve the office's control environment; and (b) ensure that all personnel	Important	O	Receipt of evidence that: (a) an action plan has been developed to improve the office's control environment; and (b) all personnel have	31 December 2023

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

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

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

⁴ Date provided by UNODC in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Office on Drugs and Crime Regional Office for Southern Africa

	undertake the mandatory training and participate in the annual leadership dialogue sessions.			undertaken the mandatory training and participated in the 2022 leadership dialogue sessions.	
6	UNODC should issue guidance to its field offices on the methodology for assessing and monitoring the impact of training activities.	Important	O	Receipt of evidence that guidance has been issued for assessing and monitoring the impact of training activities.	31 March 2023
7	UNODC should develop a mechanism for projects to establish formal agreements with beneficiary countries through which legal safeguards and the Organization's zero tolerance for fraud, sexual harassment and abuses can be addressed.	Important	O	Receipt of evidence that UNODC has developed a mechanism for projects to establish formal agreements with beneficiary countries through which legal and other safeguards can be addressed.	31 December 2023
8	The UNODC Regional Office for Southern Africa should issue appropriate guidance and establish review mechanisms to ensure that: (a) reference checks are conducted for all new consultants; and (b) consultancy contracts are properly executed using the correct letter head and quoting the correct general terms and conditions of contract.	Important	O	Receipt of evidence of action taken to ensure that reference checks are conducted for all new consultants, and consultancy contracts are properly executed using the correct letter head and quoting the correct general terms and conditions of contract.	30 June 2023
9	The UNODC Regional Office for Southern Africa should strengthen procurement planning and monitoring to help ensure that opportunities for consolidating purchases are optimized, and cases of deliberate splitting of requisitions are prevented.	Important	O	Receipt of evidence of action taken to strengthen procurement planning and monitoring to help ensure that opportunities for consolidating purchases are optimized and cases of splitting requisitions are prevented.	31 January 2023
10	The UNODC Regional Office for Southern Africa should establish appropriate mechanisms to track and recover all value added tax paid on purchases made through the local administrative service provider.	Important	O	Receipt of evidence that appropriate mechanisms have been established to track and recover value added tax paid on purchases made through the local administrative service provider.	31 December 2023

APPENDIX I

Management Response

Management Response

Audit of the United Nations Office on Drugs and Crime Regional Office for Southern Africa

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNODC Regional Office for Southern Africa, in consultation with relevant UNODC headquarters offices and stakeholders, should develop an action plan for strengthening its fundraising capacity and presence in the region.	Important	Yes	Regional Representative, ROSAF and Resource Mobilization Focal Persons in consultation with – and advise from – the Co-financing and Partnership Section	December 2023	UNODC accepts the recommendation. The ROSAF Regional Representative has already put a team to work on a Resource Mobilization Strategy in support of the Cooperation Framework. The Co-financing and Partnership Section (CPS) will support the Regional Office in the development of the fund-raising action plan contingent on the regional office leading the deployment and follow-up. CPS will continue to advise the Regional Office as evidenced by scheduled coaching session on engagement with multi-partner trust funds.
2	UNODC should: (a) clarify how the Regional Office for Southern Africa and other field offices should report on the performance of their programmes; and (b) update the	Important	Yes	Secretary to the Programme Review Committee / Officer-in-	March 2023	UNODC accepts the recommendation. With the introduction of a progress report on the implementation of the

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 United Nations Office on Drugs and Crime Regional Office for Southern Africa

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	management instructions on performance reporting accordingly.			Charge of the Strategic Planning and Interagency Affairs Unit (SPIA)		<p>UNODC Strategy, UNODC made a decision to discontinue internal programme progress reports in order not to add additional reporting burden to field offices and because the other reports in place, i.e. the Annual Project Progress Reports, the external programme report to the Steering Committee and other donor reports already provide a comprehensive accountability framework</p> <p>The Chair of the Programme Review Committee (PRC) announced this decision, and it is understood that the Management Instruction on field office reporting needs to be reviewed and updated to reflect this change.</p> <p>Review of the Terms of Reference (ToR) of PRC is ongoing and expected to be finalized by the end of 2022. The PRC should be discussing a way forward to ensuring reporting standards for regional and country programmes or similar strategic documents that are not included in the IPMR system.</p>

Management Response

Audit of the United Nations Office on Drugs and Crime Regional Office for Southern Africa

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3	The UNODC Regional Office for Southern Africa should strengthen its results-based management framework by: (a) ensuring that all performance indicators are measurable; (b) performance reports are aligned to planning documents; and (c) the Programme Steering Committee meets in accordance with its terms of reference.	Important	Yes	Regional Representative, ROSAF and RBM Focal Person	December 2023	UNODC accepts the recommendation. It will be UNODC priority to make sure the new Regional Strategy for South Africa has key RBM elements at the outcome level and is aligned to the cardinal planning documents –UNODC Corporate Strategy, Strategic Vision for Africa 2030, and existing Cooperation Frameworks where feasible.
4	The UNODC Regional Office for Southern Africa should consult with other actors in the region to assess data availability and gaps for the 15 Sustainable Development Goals indicators it is responsible for to help inform its interventions and activities in this area of work.	Important	Yes	Regional Representative, ROSAF and SDG Focal Persons in consultation with – and advise from – the Research and Trend Analysis Branch	December 2023	UNODC accepts the recommendation. ROSAF in partnership with the Research and Trend Analysis Branch (RAB) will develop tools, methodology and training that will enable systematic data collection. It should be noted that lack of funding and ownership may be risk factors. RAB will lead the exercise in close coordination with ROSAF. Focal point was nominated by ROSAF in July 2022.

Management Response

Audit of the United Nations Office on Drugs and Crime Regional Office for Southern Africa

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
5	The UNODC Regional Office for Southern Africa should: (a) develop an action plan to improve the office's control environment; and (b) ensure that all personnel undertake the mandatory training and participate in the annual leadership dialogue sessions.	Important	Yes	Regional Representative, ROSAF in consultation with – and advise from – the UNOV/UNODC Human Resources Management Service	(a) December 2023 (b) June 2023	UNODC accepts the recommendation. ROSAF with guidance from the Human Resources Management Service (HRMS) will ensure that the recommended actions are implemented.
6	UNODC should issue guidance to its field offices on the methodology for assessing and monitoring the impact of training activities.	Important	Yes	Officer-in-Charge of the Strategic Planning and Interagency Affairs Unit (SPIA)	March 2023	UNODC accepts the recommendation. UNODC HQ (interdivisional) under the lead of the Strategic Planning and Interagency Affairs Unit (SPIA) will update the existing guidance to include how to measure changes in attitudes after training activities, mainly through surveys, for the whole organization and that ROSAF is then called to apply the guidance and implement these monitoring measures within the greatest extent possible, given resource constraints.

Management Response

Audit of the United Nations Office on Drugs and Crime Regional Office for Southern Africa

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
7	UNODC should develop a mechanism for projects to establish formal agreements with beneficiary countries through which legal safeguards and the Organization's zero tolerance for fraud, sexual harassment and abuses can be addressed.	Important	Yes	Deputy Director, Division for Operations	December 2023	UNODC accepts the recommendation. The Working Group on Management Instructions will devise an annex to the Management Instruction on Programme Development which is currently under review.
8	The UNODC Regional Office for Southern Africa should issue appropriate guidance and establish review mechanisms to ensure that: (a) reference checks are conducted for all new consultants; and (b) consultancy contracts are properly executed using the correct letter head and quoting the correct general terms and conditions of contract.	Important	Yes	Regional Representative, ROSAF in consultation with – and advise from – the UNOV/UNODC Human Resources Management Service	June 2023	UNODC accepts the recommendation. ROSAF with guidance from HRMS will develop a checklist to ensure compliance.
9	The UNODC Regional Office for Southern Africa should strengthen procurement planning and monitoring to help ensure that opportunities for consolidating purchases are optimized, and cases of deliberate splitting of requisitions are prevented.	Important	Yes	Regional Representative, ROSAF, in consultation with – and advise from – the UNOV/UNODC Procurement Unit	January 2023	UNODC accepts the recommendation. ROSAF under guidance from the Procurement Unit (PU) of the General Support Section will ensure that the recommendation is implemented. The Procurement Unit has developed a global acquisition plan which is already in place for

