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19 July 2005

To: Mr. Jan Egeland, Under-Secretary-General  
Office for the Coordination of Humanitarian Affairs

From: Patricia Azarias, Director  
Internal Audit Division I  
Office of Internal Oversight Services

Subject: **OIOS Audit No. AN2004/590/07: Final Report on the Audit of UNOCHA  
Liberia Field Office**

1. I am pleased to present our final report on the subject audit, which was conducted from 1 to 13 December 2004. The report has incorporated the comments of the Resident/Humanitarian Coordinator of Liberia and the Office of the Director, Geneva on the audit observations issued by the auditors in February 2005. The report has also incorporated the written comments dated 16 May 2005 of the Director, New York on the draft report issued by IAD I.

2. I am pleased to inform you that, based on the responses to the audit observations and draft report, we have closed recommendations AN/2004/590/07/08 and 10. The table below contains a list of those recommendations that remain open in IAD I's database and the actions that should be taken by OCHA in order for us to close the recommendations. These recommendations will be reported as open in OIOS' Semi-Annual Report to the Secretary-General on the implementation status of recommendations.

Recommendation Number	Action Required by OCHA
AN/2004/590/07/01, 02, 03, 04, 05, 07, 09, 11 and 12.	Provision of documentation sited in paragraph 11, 14, 16, 19, 20, 23, 30, 36, and 39.

3. OIOS is assessing the overall quality of its audit process. Therefore, I kindly request that you consult with your managers who dealt directly with the auditors and complete the attached client satisfaction survey form at your earliest convenience.

4. I would like to again take this opportunity to thank you and your staff for the assistance and cooperation extended to the audit team on this assignment.

Copy to:

Mr. C. Bancroft Burnham  
Mr. Abou Moussa, UN Resident/Humanitarian Coordinator for Liberia  
UN Board of Auditors  
Programme Officer, OIOS



**United Nations**  
**OFFICE OF INTERNAL OVERSIGHT SERVICES**  
**Internal Audit Division I**



**Audit subject:** Audit of UNOCHA Liberia Field Office  
**Audit No.:** AN2004/590/07  
**Report date:** 19 July 2005  
**Audit team:** B. Tarleh Nyema, Auditor-in-Charge  
Julie Geringer, Associate Auditor

## **AUDIT OF THE LIBERIA FIELD OFFICE OF THE UNITED NATIONS OFFICE FOR THE COORDINATION OF HUMANITARIAN AFFAIRS (AN2004/590/07)**

### Executive Summary

In December 2004, the Internal Audit Division I of the Office of Internal Oversight Services conducted an audit of the Liberia Field Office (the Office) of the United Nations Office for the Coordination of Humanitarian Affairs (OCHA). The auditors assessed the achievement of the 2004 goals and reviewed liquidation planning and monitoring, disposal of assets, and termination of service agreements. The Office made important contribution to the delivery of humanitarian assistance in Liberia and OCHA made substantial progress in liquidating the Office. However, the auditors identified a number of areas where further improvements could have been made to ensure efficient and effective coordination of humanitarian assistance and proper of management of the Office's liquidation.

The Deputy Special Representative of the Secretary-General of the United Nations Mission in Liberia had been designated as the United Nations Resident/Humanitarian Coordinator (R/HC) for Liberia. Although OCHA had put in place a head of Office at L-5 level, the R/HC was ultimately responsible for the program of work of the Office. However, it appeared that the R/HC could not ensure the implementation of the Office's program of work due to a lack of cooperation by the senior staff of OCHA in Liberia. In the auditors' view, a clear communication by the Emergency Relief Coordinator to all concerned might have enforced the authority of the R/HC. The designation of officials of peacekeeping missions as the responsible persons for the programs of work of OCHA field offices was becoming common. However, no formal policy had been promulgated to address these situations. It would be helpful if OCHA were to reassess its concept of field operations, particularly in cases where an R/HC is designated within a peacekeeping mission.

The liquidation plan used by the liquidating staff in Liberia appeared not to have been approved and monitored by the management of OCHA. The liquidating staff member who was preparing the plan in Liberia was the same individual implementing and monitoring it. In the auditors' view, this situation did not represent proper segregation of duties. As a result, there was a high unmitigated risk of mismanagement and improprieties in the liquidation exercises. It would have been helpful if OCHA management formally approved and monitored the implementation of plan.

Some control weaknesses were also identified in the management of non-expendable items, imprest and petty accounts, request for payments and related IOV reports, and fuel coupons. It would be helpful if OCHA improved controls in these areas to reduce the risk of mismanagement and improprieties in future liquidation exercises.

## TABLE OF CONTENTS

<u>CHAPTER</u>	<u>PARAGRAPH</u>
I. INTRODUCTION	1-2
II. AUDIT OBJECTIVES	3
III. AUDIT SCOPE AND METHODOLOGY	4-5
IV. AUDIT FINDINGS AND RECOMMENDATIONS	
A. Management of the program of work.....	6-11
B. Exit strategy for the Humanitarian Information Centre.....	12-14
C. Administrative support of the Office.....	15-16
D. Liquidation planning and monitoring.....	17-20
E. Management and disposal of non-expendable assets.....	21-23
F. Reporting of vehicular accidents.....	24-27
G. Financial management.....	28-39
V. ACKNOWLEDGEMENT	40

## **I. INTRODUCTION**

1. In December 2004, the Internal Audit Division I of the Office of Internal Oversight Services (OIOS) audited the Liberia Field Office (the Office) of the United Nations Office for the Coordination of Humanitarian Affairs (OCHA). The audit was conducted in accordance with the general and specific standards for the professional practice of internal auditing in United Nations' Organizations.

2. The Office was established in 2002 to coordinate the response of the United Nations and NGOs to the growing humanitarian crisis that had resulted from the civil conflict in Liberia. As of the time of the audit, the Office was in transition. It was transferring its functions to the Humanitarian Pillar of the United Nations Peacekeeping Mission in Liberia (UNMIL) and, as a result, disposing of its assets. The 2004 revised cost plan for the Office totalled \$4.4 million. According to this plan, the personnel of the Office included 8 posts at the Professional Level (4 regular posts and 4 – general temporary assistance posts) and 21 posts at the General Service Level (10 regular posts and 11 – general temporary assistance posts). There was no organizational chart showing the structure of the Office. A number of administrative functions: finance, personnel, and procurement had been performed by the UNDP country office, in accordance with the Standing Basic Agreement between the United Nations and UNDP.

## **II. AUDIT OBJECTIVES**

3. The objectives of the audit were to assess:
- (a) the achievement of the goals of the 2004 program of work,
  - (b) the effectiveness and efficiency of the transfer of OCHA functions to UNMIL, and
  - (c) the safeguarding of the organization's assets during the liquidation of the Office.

## **III. AUDIT SCOPE AND METHODOLOGY**

4. The audit covered the following areas:

- Activities of the Office in 2004;
- Liquidation planning and monitoring;
- Disposal of assets; and
- Settlement of obligations and termination of service agreements.

5. The auditors reviewed pertinent documents maintained by the Office, OCHA's Office in Geneva (OCHA-Geneva) and the Resident/Humanitarian Coordinator (R/HC), and interviewed the R/HC and UNDP personnel concerned. The team also interviewed OCHA personnel in Geneva and Liberia including six humanitarian affairs officers and performed physical checks of the remaining assets. The audit findings and recommendations were informally communicated to the R/HC, the Administrative Office of OCHA-Geneva, and the Response Coordination Branch of the Office of the Director, Geneva. They were also communicated to the senior

management of OCHA. The essence of the responses is provided in *italics* immediately following the concerned recommendations.

#### IV. AUDIT FINDINGS AND RECOMMENDATIONS

##### A. Management of the program of work

6. According to the generic terms of reference for OCHA field offices, the Resident Humanitarian Coordinator (R/HC) is responsible for the effective coordination of humanitarian assistance in Liberia and for reporting to the Under-Secretary-General of OCHA/Emergency Relief Coordinator (ERC). However, there were no specific terms of reference which would have enforced the authority of the R/HC to supervise the Office and monitor its performance. Such terms of reference should have been promulgated by the ERC with clear responsibility for supervising and monitoring the Office's activities. They should also specify the frequency and kinds of reports to be prepared by the Office. The auditors found that, as required, the R/HC submitted periodic reports to the ERC. However, the Office did not report on its activities and performance to the R/HC. It appeared that the Office, which did not have a formal head for most of 2004, did not fully acknowledge the authority of the R/HC over its activities. Under these circumstances, the R/HC was unable to effectively monitor the Office's performance. *OCHA explained that this situation persisted because it did not clarify to its staff in Liberia who should be the proper interlocutor with OCHA Geneva.*

7. OCHA staff in Geneva and Liberia informed the auditors that the Office also did not report, as expected, to the Response Coordination Branch (RCB) of OCHA's Office in Geneva. In this regard, the auditors' request made to the RCB in Geneva for copies of the Office's periodic activity reports was referred to Liberia. In Liberia, the auditors were provided with copies of ad hoc communications between senior staff of the Office and the desk officers in New York and Geneva. No evidence of activity reports to the RCB, which was directly responsible for operations in Liberia, was provided to the auditors.

8. It was likely that the above-mentioned lack of reporting and proper monitoring impeded the Office's ability to fully achieve its 2004 goals. In particular, it appeared that the Office had not achieved its principal goal to develop and enhance coordination mechanisms and infrastructure within the context of UNMIL. Although OCHA's intranet website stated that the integration had been completed by June 2004, as of December 2004, the time of the audit, the Office's staff had not been absorbed by UNMIL as anticipated. There was no agreement between DPKO and OCHA on the post-integration fate of the Office's staff. High-level arrangements had been made between the ERC and the R/HC. In addition, on 16 June 2004, the Chief of the Africa Section of the RCB and the R/HC also agreed on certain measures to address issues related to the new integrated structure. However, the R/HC experienced difficulties implementing these agreements due to DPKO budgetary constraints, recruitment policy and organizational arrangements that had not been properly considered. As a result, the Office's staff continued to hold OCHA's contracts.



9. According to the R/HC, his ability to effectively supervise the Office had been undermined by the direct management of its staff by OCHA headquarters in Geneva and New York. This perception was nourished by the exchange of messages between OCHA Headquarters (both New York and Geneva) and OCHA's field staff, which the R/HC was not privy to. Also, according to the RCB, *some of OCHA's staff had certain reservations about mixing humanitarian work with "military" connotations of UNMIL. However, much progress had been achieved, particularly by the field officers who, despite the uncertainties, continued to coordinate humanitarian work in the far-flung areas of Liberia.* As indicated above, both OCHA-Geneva and the Office could not provide copies of progress reports to confirm the progress achieved.

10. In the auditors' view, the above-mentioned organizational weaknesses could have been avoided or corrected with clear terms of reference to which all parties would commit themselves. OCHA could have strengthened the R/HC's role by issuing clear instructions to its field staff to ensure effective monitoring of the Office. The designation of officials of peacekeeping missions as the persons responsible for the work of OCHA field offices is becoming common practice (similar arrangements were used in Afghanistan, Kosovo, and Sierra Leone). However, no formal policy had been promulgated to address these situations to minimize their impact on the coordination of humanitarian assistance.

### **Recommendations 1 and 2**

IAD I recommends that OCHA:

(i) Establish a clear concept of operation in cases where a Resident Humanitarian Coordinator is designated within a peacekeeping mission and promulgate, in collaboration with DPKO, an appropriate policy to guide future field operations (AN2004/590/07/01).

(ii) Issue clear instructions for each field office headed by a Resident Humanitarian Coordinator on planning and monitoring, including the nature and frequency of reports to be prepared (AN2004/590/07/02).

11. OCHA disagreed with these recommendations indicating that *there were policies and standard terms of reference for field offices that clearly set out the responsibilities of each office and the R/HC and their inter-relationship.* OCHA did not provide copies of its policies, and the generic terms of reference provided to the auditors were, as expected, general. However, OCHA's comment stating that the situation mentioned in paragraph 6 above had *persisted because it did not clarify to its staff in Liberia who should be the proper interlocutor with OCHA-Geneva* appears to support these recommendations. IAD I will close these recommendations in its database after receiving a copy of a properly promulgated policy that clearly set out the responsibilities of each office and the R/HC and their inter-relationship in Liberia.

## **B. Exit strategy for the Humanitarian Information Centre**

12. In November 2004, the Inter-Agency Standing Committee (IASC) endorsed a Concept Document, calling for the development of an exit or transitional strategy that will ensure continuing access to information management tools by reconstruction and development actors. As of the time of the audit, no such strategy had been developed for OCHA's operations in Liberia. The management of the Humanitarian Information Centre (HIC) was concerned about the apparent lack of local capacities to effectively utilize the accumulated information for reconstruction and development purposes. However, no formal assessment had been performed by the HIC of the capacity within Liberia. Such an assessment could identify capacity gaps within the country and help to develop a comprehensive capacity development program. This capacity development program would then form part of the exit strategy.

13. If an exit strategy is not formulated and the database created by OCHA is not retained in Liberia, reconstruction and development actors will be deprived of critical information necessary for decision making.

### **Recommendation 3**

IAD I recommends that the HIC, under the leadership of the R/HC, develop an exit strategy and a comprehensive capacity development program, including the transfer of the database to local actors in the area of humanitarian affairs (AN2004/590/07/03).

14. OCHA agreed with this recommendation stating that *it was constantly discussing issues with UNDP in the hope that they will assume management of the HIC, possibly in cooperation with the Government*. In addition, OCHA stated that *it plans to do a complete study on the appropriate partners for the transition, in time for the end date of December 2005*. IAD I will close this recommendation, as implemented in its database, after receiving the exit strategy and a comprehensive capacity development program, including the handover of the HIC.

## **C. Administrative support of the Office**

15. The global service agreement referred to as the "Standing Basic Agreement" between the United Nations and UNDP should govern the administrative support provided to the Office. Such support included procurement of goods and services, human resources management and disbursements. However, the Office had recruited administrative and finance personnel who helped the Office perform the key tasks relating to the procurement of goods and services and the recruitment of national staff. The specific tasks performed by the Office included the invitation and analyses of quotes, selection of vendors, final approval of purchase orders, and receiving and inspection of goods. Discussions with UNDP-Liberia indicated that, during the initial period of the Office, UNDP-Liberia performed all the procurement and recruitment functions. However, when the Office was fully established, UNDP-Liberia's involvement was reduced. No formal communications with respect to such a change were provided to the auditors. Moreover, the



auditors were not provided with any evidence of a delegation of authority to the Office to perform the functions previously carried out by UNDP-Liberia.

#### **Recommendation 4**

IAD I recommends that OCHA review arrangements involving UNDP in other field offices and ensure that, in cases where these offices perform procurement, personnel and other administrative functions, they have the properly delegated authority (AN2004/590/07/04).

16. OCHA disagreed with this recommendation stating that *UNDP continued to administer procurement*. As indicated in paragraph 15 above, the auditors' review of selected procurement actions found that the Office was performing procurement tasks such as the approval of purchase orders that should have been performed by UNDP-Liberia. Since UNDP-Liberia did not approve purchase orders, the Office needed a procurement authority in accordance with Regulation 5.9, rules 105.4, 105.5 and 105.13 of the Financial Regulations and Rules of the United Nations in order to perform the above-mentioned tasks. This recommendation will remain open in IAD I's database pending receipt of evidence indicating that UNDP-Liberia continued to perform the above-mentioned tasks during 2004.

#### **D. Liquidation planning and monitoring**

17. For an efficient and effective liquidation, it is essential to have an approved liquidation plan. The plan must be monitored by management to ensure proper disposal of assets and timely completion of the liquidation exercise. OCHA assigned a staff (the liquidating staff), on loan, from its East Africa Regional Office to perform the liquidation exercise. A review of the plan, provided to the auditors by the liquidating staff in Liberia, indicated that the plan needed the approval of OCHA management. It appeared that the liquidating staff was responsible for all tasks, including the preparation of the plan, its implementation and its monitoring. Since OCHA's senior management typically allocates resources to field operations, it was the view of the auditors that instructions on the allocation of the Office's usable assets to ongoing operations needed the approval of OCHA management. Similar instructions were issued with regards to the separation/redeployment of international staff in a memorandum dated 24 November 2004 from the Chief of the Response Coordination Branch to the Administrative Office of OCHA-Geneva. However, the desk officer of the RCB of OCHA-Geneva had informally instructed the staff member on the distribution of assets to ongoing operations. The heads of the Humanitarian Information Centre and the Emergency Relief Fund that were also entitled to the assets informed the auditors of some confusion and inequity in the distribution of the assets.

18. Leases had not been rescinded and the lessors had not been notified about UNMIL's assumption of the leases thereby making OCHA legally exposed. According to the liquidation plan provided to the auditors, the termination of office leases was assigned to an Administrative Assistant. It was the view of the auditors that the responsibility to terminate the leases needed to be assigned to the Resident/Humanitarian Coordinator who had signed them on behalf of OCHA.

### **Recommendation 5**

IAD I recommends that OCHA develop and formally approve specific liquidation plans with assigned responsibilities and timing for each liquidation task. The implementation of the liquidation plans should be closely monitored at headquarters (AN2004/590/07/05).

19. OCHA disagreed with this recommendation indicating that *the liquidation plan was provided to the auditors*. As indicated in paragraph 17 above, the liquidating team did not provide evidence of management's approval and monitoring of the plan that it provided to the auditors. The Resident/Humanitarian Coordination in Liberia did not have a copy of the plan and therefore did not monitor its implementation. OCHA-Geneva was also unable to provide a copy of the plan to the auditors during their visit to Geneva. Rather, it referred the auditors to the liquidating staff in Liberia. In Liberia, it was noted that the liquidating staff was preparing, implementing and monitoring the liquidation plan. In the auditors' view, this situation did not represent proper segregation of duties. As a result, there was a high unmitigated risk of mismanagement and improprieties in the liquidation process. This recommendation will remain open in IAD I's database pending receipt of evidence of management approval and monitoring of the Office's liquidation plan.

### **Recommendation 6**

IAD I recommends that OCHA facilitate the proper handover of assets and transfer of the leases with a formal notification to the lessors (AN2004/590/07/06).

20. OCHA agreed with this recommendation stating that *the handover of assets had been completed and that the landlord had been formally notified of the transfer of lease to UMIIL*. IAD I will close this recommendation in its database after receiving a copy of the notification to the landlord and his acceptance of the transfer arrangement.

### **E. Management of non-expendable assets**

21. Proper liquidation procedures should ensure that all assets of the Office have been accurately accounted for before their disposal. The auditors tested a sample of ten items, selected from UNDP's IOV reports, to determine if they had been included in the asset list. The test showed that, in some cases, it was impossible to match the procured items with the inventory due to the lack of detailed information. The auditors also identified some inaccuracies in the asset list used in the liquidation. Four split air conditioners were not available at the locations specified on the list. Some assets had not been returned by the staff as required. Two telephones that were not assigned to anybody and should have been in stock, according to the list, were not available. The particulars of one radio returned by a staff did not match the particulars of any radio on the list. The auditors concluded that controls over the assets were inadequate due to the following:

- the database used to generate the asset list, as well as the computer on which it was maintained, were not protected from unauthorized access;
- the information was entered in the spreadsheet by an assistant who could not accurately identify and record non-expendable assets;
- data entry was not done promptly (in some instances, data entry was done two months after procurement).

22. The above mentioned conditions increased the risk of misappropriating the assets of the Office.

### **Recommendation 7**

IAD I recommends that, in order to ensure proper control and full disposal of non-expendable assets, OCHA require all field offices to prepare and submit statements of non-expendable assets reflecting newly procured items. Updates should be provided to OCHA following periodic inventories (AN2004/590/07/07).

23. OCHA agreed with this recommendation indicating that *this area will be given special attention in its future visits to field offices*. OIOS will close this recommendation as implemented in its database after receiving a copy of communications to field offices requiring them to periodically submit statements of non-expendable assets to OCHA-Geneva.

### **F. Reporting of vehicular accidents**

24. Vehicle accidents should be promptly reported and investigated, and the individuals responsible for damage should be held accountable. On 10 September 2003, the designated UNSECOR officer for Liberia notified all United Nation's agencies of the procedures for reporting incidents. According to this notification, all accidents should be reported within 24 hours.

25. The Office did not follow the established procedures. As of 13 December 2004, no report had been filed with respect to an accident involving vehicle 331-UN. Also, no report was available regarding an accident involving another vehicle (44-UN). In all instances where accident reports were filed there was no evidence of any inquiry/investigation to establish the causes of the accidents and, when necessary, to initiate recovery action against concerned staff members.

26. Subsequently, the auditors were informed that both vehicles had been repaired and appropriately disposed of. However, it appeared that there was no inquiry into the circumstances of the accident and no determination of personal responsibility. We believe that OCHA needs to

improve controls over the use of its vehicles, including prompt reporting of accidents, necessary investigations and prompt recovery from concerned staff where necessary.

### **Recommendation 8**

IAD I recommends that OCHA Geneva assess controls over vehicles in other field offices with the view of improving them (AN2004/590/07/08).

27. OCHA agreed with this recommendation indicating that *the accidents were not reported to OCHA-Geneva. It also indicated that OCHA intends to remind field offices of the procedures to be followed in this area.* IAD I will close this recommendation as implemented in its database after receiving a copy of the reminder sent to field offices on the procedures to follow in case of accident.

## **G. Financial management**

### Petty cash and imprest accounts

28. Petty cash and imprest accounts must be properly managed. They must be formally authorized and their replenishments should be justified. The Office's imprest account was used to make payments to cover its immediate needs (e.g. phone cards, DSA for local trips, etc.). Additionally, the imprest account was relied upon heavily during the last few months of 2003 when UNDP had problems with its accounting system and requested the Office to use the imprest account to make payments. The auditors' reconciliation of the imprest and petty cash accounts resulted in a minor unresolved difference of \$72 which did not warrant further action at this stage.

29. Through a global service agreement between the United Nations and UNDP, the Controller had delegated OCHA field offices' treasury functions to UNDP. Under the service agreement, OCHA made periodic advances to UNDP which was required to make disbursements on behalf of the Office based on properly approved financial authorizations provided by OCHA. However, the creation and replenishment of petty cash and imprest accounts at the Office were not reflected in the approved financial authorizations. Rather, the petty cash and imprest accounts were established on the basis of informal communications among individuals at different levels within OCHA who appeared not to have the authority to issue financial authorizations and appoint imprest and petty cash custodians. The auditors were not provided with all the authorizations for the establishment of the petty cash and imprest accounts.

### **Recommendation 9**

IAD I recommends that OCHA ensure that the establishment/changes to the imprest and the petty cash accounts are properly authorized and that records of such authorizations are retained (AN2004/590/07/09).

30. OCHA disagreed with this recommendation indicating that *it had agreed that UNDP should manage, at its discretion, the petty cash account for all field offices, in accordance with their authorized limits at the time when UNDP was experiencing system problems.* OCHA did not provide a copy of this agreement to the auditors. Since UNDP-Liberia had been required by a formal agreement to make each disbursement based on proper supporting documents for the procurement of goods and services, a formal agreement was warranted for the establishment of an imprest account and OCHA-Liberia's role in the management of the account. It was noted that UNDP-Liberia provided large sums of money to OCHA-Liberia from the imprest account. In addition, the auditors found that petty cash replenishments were included in some financial authorizations issued to UNDP during the same period, in accordance with OCHA's own procedures. In accordance with these procedures, changes to the petty cash limits should have also been formally approved by OCHA-Geneva. This recommendation will remain open in IAD I's database pending receipt of a copy of the agreement between UNDP and OCHA regarding the establishment of the imprest account and a statement indicating why OCHA-Geneva did not consistently comply with its own procedures for authorizing changes and replenishments to petty cash accounts.

#### Advances to staff

31. Advances to staff should be properly approved, recorded, and monitored to ensure their timely recovery. The auditors reviewed 10 out of 66 personnel files of national staff maintained by the Office, examined the staff ledgers maintained by UNDP of the selected staff members, and reviewed related records in the computerized system used by UNDP for payroll processing.

32. Controls over the approval of advances appeared to be adequate. All identified advances were approved by the Head of Office. However, neither UNDP nor the Office maintained consolidated records of advances made to staff. No apparent attempt was made by the Office to identify advances disbursed by UNDP-Liberia, to prepare a consolidated aging statement of the disbursed advances and to monitor their recovery. The approved requests were entered in UNDP's computerized system and were recovered automatically through payroll deductions over the period specified in the approved request. However, since the approved requests received by UNDP from the Office were not centrally filed and controlled, the auditors could not determine if all advances had been recovered. There was no evidence regarding the disbursement and recovery of two of the approved advance requests obtained from the personnel file maintained by OCHA.

#### **Recommendation 10**

IAD I recommends that, in order to ensure proper control and recovery of advances, OCHA request the UNDP office in Liberia to provide the record of advances and their recovery, reconciled with requests approved by the Office. The practice of monthly reporting on the status of advances should be made standard for all field offices (AN2004/590/07/10).



33. OCHA disagreed with this recommendation stating that it *has no control over staff advances since its funds are not used for the advances*. As indicated in paragraph 32 above, the auditors found that the Office was involved in the approval of staff advances. However, based on the explanation that OCHA funds are not at risk in cases involving staff advances, IAD I has closed this recommendation in its database.

#### Reconciliation of IOV reports

34. OCHA should reconcile and settle their accounts with UNDP in a more regular manner. Net advances to UNDP, with respect to the closed office, should be settled promptly. A review of the 2003 reconciliation showed that OCHA makes global advances to UNDP with respect to all of its field offices. OCHA performs its reconciliation on an annual basis and accounts are settled between UNDP and OCHA in aggregate after the reconciliation. In the auditors' view, reconciliation should be performed more regularly when the IOV reports are received.

35. The Office performed "informal" reconciliations, on a monthly basis, between its requests for payments from UNDP and IOV reports provided by UNDP. We consider this reconciliation to be a useful budgetary control and therefore encourage OCHA to ensure that they are formalized.

#### **Recommendation 11**

IAD I recommends that reconciliations comparing the UNDP IOV reports and OCHA payment requests be prepared by the local offices, on a monthly basis, and forwarded to OCHA for review and approval (AN2004/590/07/11).

36. OCHA agreed with this recommendation indicating that *this is currently being done through the OBMO management tool and is submitted monthly to Geneva*. IAD I will close this recommendation as implemented in its database after receiving copies of April 2005 reconciliations for the DRC and Sudan.

#### Fuel coupons

37. OCHA had a contract with Mobil for the supply of fuel. The Office replenished coupon supplies depending on travel needs. The auditors evaluated and tested controls relating to coupon management. There was adequate control over the distribution of coupons to drivers. However, there was no log or record of the procurement of coupons by the Administrative Assistant for Finance and issuances of coupons to the Administrative Assistant for Transport who was responsible for distributing the coupons to drivers. It also appeared that the Administrative Assistant for Finance issued any number of coupons requested by the Administrative Assistant for Transport without any analyses or verification of the fuel consumption. In the auditors' opinion, this created a risk of excessive gasoline expenditure or misappropriation of coupons.

38. As of the date of the audit, the Administrative Assistant for Transport had no stock of coupons, while the Administrative Assistant for Finance had 950 coupons valued at \$2,707. The liquidation plan made no reference to the disposal of gas coupons.

**Recommendation 12**

IAD I recommends that the Administrative Office of OCHA-Geneva evaluate coupon controls maintained by field offices and instruct the staff of the field offices on proper procedures (AN2004/590/07/12).

39. OCHA indicated that *fuel coupons had been handed over to the Humanitarian Information Centre*. However, it did not specifically respond to this recommendation. IAD I will close this recommendation in its database after receiving comments from OCHA indicating whether it agrees or disagrees and a proof of implementation if it agrees with this recommendation.

**V. ACKNOWLEDGEMENT**

40. We wish to express our appreciation for the assistance and cooperation extended to the auditors by the management and staff of OCHA and the Office.



Patricia Azarias, Director  
Internal Audit Division I  
Office of Internal Oversight Services



OIOS/IAD-1 Client Satisfaction Survey

The Internal Audit Division-1 is assessing the overall quality of its audit process. A key element of this assessment involves determining how our clients rate the quality and value added by the audits. As such, I am requesting that you consult with your managers who dealt directly with the auditors, and complete the survey below. I assure you that the information you provide will remain strictly confidential.

Audit Title & Assignment No.: Audit of UNOCHA (AN2004/590/07)

**By checking the appropriate circle please rate:**

1. The extent to which the audit addressed your concerns as a programme manager.
2. The audit staff's understanding of your operations and objectives.
3. The professionalism of the audit staff (communications, integrity, professional knowledge and responsiveness)
4. The quality of the audit report in terms of:
  - accuracy and validity of findings and conclusions
  - clarity and conciseness
  - balance and objectivity
  - timeliness
5. The extent to which the audit recommendations were appropriate and helpful.
6. The extent to which your comments were considered by the auditors
7. Your overall satisfaction with the conduct of the audit and its results.

	1 (poor)	2	3	4(excellent)
1.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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-- accuracy and validity of findings and conclusions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-- clarity and conciseness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-- balance and objectivity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-- timeliness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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