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INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

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INTERNAL AUDIT DIVISION I
OFFICE OF INTERNAL OVERSIGHT SERVICES

TO: Mr. Ibrahim A. Gambari, Under-Secretary-General for
A: Political Affairs

FROM: Dagfinn Knutsen, Chief
DE: Peacekeeping Audit Service
Internal Audit Division 1, OIOS

SUBJECT: **OIOS Audit No. AP2005/560/05: Management audit of the Department
OBJET: of Peacekeeping Operations – Substantive Operations**

23 February 2006

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1. I am pleased to present herewith the final audit memorandum on the OIOS management audit of the Department of Peacekeeping Operations Substantive Operations during September - November 2005. The audit was conducted in accordance with the standards for the professional practice of auditing in United Nations organizations.

2. The General Assembly in its resolution 59/296 of 15 August 2005 requested the Secretary-General "... as a matter of priority, to entrust the Office of Internal Oversight Services (OIOS) with a comprehensive management audit to review the practices of the Department of Peacekeeping Operations and to identify risks and exposures to duplication, fraud and abuse of authority in the following operational areas: finance, including budget preparation; procurement; human resources, including recruitment and training; and information technology, and to report thereon to the General Assembly at its sixtieth session."

3. This segment of the audit focused on the following substantive operations: (a) Electoral assistance to peacekeeping missions; (b) Disarmament, demobilization and reintegration; (c) Mine action assistance to peacekeeping missions; (d) Human rights and rule of law programmes in peacekeeping operations. The audit included a set of issues in each of these areas. The audit was conducted both at UN Headquarters and in the United Nations Mission in the Sudan (UNMIS). At Headquarters, the audit team primarily focused on the DDR Unit, Criminal Law and Justice Advisory Unit, United Nations Mine Action Service, Police Division, and Electoral Assistance Division in the Department of Political Affairs.

4. The following audit recommendations relate directly to the Department of Political Affairs and do not fall within the scope of DPKO. For this reason OIOS is hereby addressing these recommendations to the Department of Political Affairs.

5. Based on your response to our draft report, which are indicated in this report by the use of italics, recommendation numbers 1 through 6 remain open pending additional information or implementation as indicated. Please note that OIOS will report on the

progress made to implement its recommendations, particularly those designated as critical (i.e. recommendations 1 through 6) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

6. The comments made by DPA on the draft audit report have been included as appropriate and are shown in italics.

The Electoral Assistance Division needs to share its institutional memory and lessons learned with Member States, other stakeholders, and academia in general.

7. The UN system is engaged in a wide range of development assistance activities which are intended to support the efforts of the governments to promote a democratic election process. Since 1989, the UN has received over 140 requests for electoral assistance from Member States. The Electoral Assistance Division (EAD), established in 1992 as part of the Department of Political Affairs, is responsible for providing this assistance.

8. The normal procedure is that EAD considers each request for assistance as a project and manages it through various stages of a project cycle. The project closes with a programme report. EAD maintains a record of each project in departmental archives that can be accessed by its staff for future reference. The project reports contain, *inter alia*, the lessons learned from the project. There is a realization in the Secretary-General's report (A/56/344, 19 October 2001, p. 13) which states, "Past UN experience is an invaluable guide for future UN activities. The collection of information from within the system must therefore be standardized and streamlined during the coming biennium."

9. OIOS in its "Triennial Review of the Implementation of the Recommendations Made by the Committee for Programme and Coordination (CPC) Report" (E/AC.51/2007, 26 April 2002, p.9) recommended: "The EAD should promote the exchange of information among the various networks and partnerships it has established through the use of the print media and Internet."

10. OIOS observed that EAD's institutional memory is lying in the form of hundreds of binders in its archives. During all these years, some approaches and strategies worked and others did not. Many Member States, who do not request the UN for assistance in elections, could make use of these lessons. A summary of the lessons learned could be of great value to them. Similarly, the academia could make use of the collective wisdom accumulated in the UN archives. However, there is no distilled document which summarizes the institutional memory. In the opinion of OIOS, the distillation of institutional memory and sharing it with other stakeholders and Member States would be valuable so that mistakes are not repeated and efforts are not made to reinvent the wheel. These lessons can also be shared with the academia in general and would add to the pool of human knowledge through print media and the internet. To make this information useful, it would require continuous updating as the experience accumulates. Thus, EAD would need to create some institutional arrangement for developing and maintaining this information. For example, it could place the lessons learned on its website and update it as new information becomes available.

Recommendation 1

EAD should develop and update on a continuous basis its institutional memory and share the lessons learned with Member States, other stakeholders, and academia in general through print media and the internet (AP2005/560/05/01).

11. *DPA/EAD commented that recommendation 1 reached beyond the scope of management audit of DPKO and did not link the actions recommended with the resources required for their implementation by the EAD.* In OIOS' opinion, EAD's response concurs with the recommendation in principle. OIOS reiterates that EAD should try to obtain the necessary resources in the next budget. Recommendation 1 will remain open in the OIOS database pending implementation.

EAD has an information overload in the form of reports from the country programmes.

12. EAD monitors its electoral assistance projects through reports from the field. These reports are received daily from peacekeeping missions, and on a weekly, monthly and quarterly basis from other country programmes. At present, EAD has active programmes in about 40 countries, including seven countries where peacekeeping missions are working.

13. OIOS observed that these reports are not standardized and are submitted by the country programme managers in their own style. The need for standardizing these reports has been felt by EAD as well. For example, the Secretary-General's report (A/56/344, dated 19 October 2001) says, "The global coordination of activities undertaken by the UN system requires extensive and consistent reporting to the focal point for UN electoral assistance activities. To date, such reporting has sometimes been sporadic and information provided incomplete and inconsistent. Efforts must be made to ensure regular and comprehensive reporting in standardized formats."

14. After four years since the above report, the actual progress in this direction has not been significant. The reports are still non-standardized and inconsistent. EAD has an information overload which cannot be summarized easily or electronically. Standardizing the format and frequency of the reports would allow EAD to computerize them in a database and would fit well into its current plan of digitizing all its paper files.

Recommendation 2

EAD should, in consultation with DPKO, prescribe a standard format and frequency for reports from the field to ensure adequate monitoring of electoral assistance in peacekeeping (AP2005/560/05/02).

15. *DPA/EAD accepted recommendation 2.* Recommendation 2 will remain open in the OIOS database pending implementation.

Periodically reporting EAD's performance to the public would enhance the value of the work being done by the Division.

16. In response to the GA resolutions in each previous session, the Secretary-General presents a report on the performance of EAD in every biennium. The report is a summary of the work done and the challenges faced by EAD in the performance of their work. It also presents future outlook for the coming biennium. It is a useful source of information for Member States. However, it does not fulfill the need for public performance reporting as it is presented once in two years and also is in a summary form. It also does not give all the information about the work done by the Division. The EAD website also does not provide a comprehensive view of the activities undertaken by the Division during a year.

17. In recent years demands for public accountability have increased the need for public performance reporting. Public expectations are that the programme managers who are custodians of public funds should report back in some detail about the results achieved by utilizing the resources at their disposal. Several developed countries, like USA, Canada, Australia, New Zealand, UK, have made it mandatory for public sector organizations to report their performance periodically for the information of the general public. In this regard, good practice has led to the evolution of a generally accepted framework for reporting performance.

18. Following is a summary of good practices on public performance reporting. The performance report should:

- a) Give a context to the whole programme, explaining the environment in which the programme was instituted and how the programme was organized and implemented;
- b) Provide information on the mandate, objectives, targets, achievements and the working environment. While doing so, the report should focus on indicators of achievement described in the budget documents;
- c) Relate results achieved to the level of risks accepted;
- d) Put into perspective the strategy adopted by the organization due to its existing capacity considerations as well as of the host governments;
- e) Explain the factors other than the capacity considerations that are critical for its success such as social, economic, ethical, cultural, educational or ethnic;
- f) Explain the financial aspects and integrate them with the results achieved'
- g) Enlist the challenges that lay ahead and how the programme would be implemented to meet those challenges;
- h) Give EAD's own assessment about the success and sustainability of the programme in the light of post-project environment;

- i) Give additional assurance about the reliability of the data by explaining how the data were collected and compiled; and
- j) Be presented in a straight forward manner so that the reader finds it easy to understand.

Recommendations 3 and 4

EAD should consider:

- a) Enhancing its website to include, in a cumulative way, the activities it undertakes over a calendar year, comprising the information suggested in this report (AP2005/560/05/03); and
- b) Based on its accumulated activities, issuing an annual report on its performance in the format of generally accepted practice suggested in this report (AP2005/560/05/04).

19. *DPA/EAD commented that recommendations 3 and 4 deal with reporting in general terms, without a direct reference to how much reporting inter-relates with the public information component of a peacekeeping operation. Further, recommendation 6 suggests an annual report on EAD's performance, whereas the General Assembly mandates a Secretary-General's biennial report to that policy-making body.*

20. Regarding recommendation 3, OIOS clarifies that the question of how much information has to be reported and the manner it has to be coordinated are matters of detail that EAD can consider while implementing the recommendation.

21. Regarding recommendation 4, the present report does recognize the biennial report of the Secretary-General to the General Assembly. However, OIOS recommends the reporting of the work done by the EAD to the general public on an annual basis, in line with the latest trends on performance reporting being practiced by several national governments. Recommendations 3 and 4 will remain open in the OIOS database pending implementation.

The Electoral Assistance Division needs to strengthen its accountability framework by developing performance indicators and benchmarks for satisfactory performance.

22. EAD provides assistance to Member States in various phases of electoral activities. A typical electoral cycle starts with the request by a Member State. Electoral assistance may have to be provided during the peace negotiations in some cases. Then it passes through several salient phases: adoption of election law, registration of voters, voters' education, actual conduct of elections, observation and monitoring of elections and evaluation of the electoral process in the post-election scenario. EAD may provide assistance in all of these phases or in some of them, depending upon the request of the Member State or mandate of the peacekeeping mission as approved by the Security Council.

23. Electoral assistance is a complex activity and EAD implements it by adopting a project approach. A large number of persons and a great amount of logistic support plus the

political environment of the country may add considerable complexity to the implementation of the project. For effective implementation of each project, EAD requires a framework which measures the performance of various persons and units in terms of time taken (efficiency), costs incurred (economy) and results achieved (effectiveness). It means that implementation of a project by itself is not sufficient. It is also important to know the cost and time taken and other inputs consumed to implement the project.

24. A generally accepted approach in progressive organizations is to develop a set of performance indicators and their benchmarks for satisfactory performance. The performance indicators could be in terms of time taken, costs incurred, other inputs consumed, various outputs generated and the results achieved. The benchmarks for these indicators set the levels of satisfactory performance. Such a framework provides information about the performance of individuals as well as groups, units and sections. It also allows analysis of the factors which were beyond control of the individuals and the organization, allowing a degree of fairness in performance measurement and accountability process.

25. The normal process of setting performance indicators is to involve all those persons whose performance is to be measured or who are concerned with the project or programme planning and implementation. Once the indicators are agreed, levels of satisfactory performance (benchmarks) are also arrived at through the same consultation process. These indicators and benchmarks are reviewed periodically so that they do not become redundant and irrelevant with the passage of time.

26. OIOS observes that at present EAD does not have any such framework of performance measurement and accountability. The only mechanism that the Division follows is the e-PAS of individuals which is not closely related and integrated into the electoral assistance projects. The other performance measure that the Division uses is relating to the Results-based Budgeting (RBB). In that, it describes its performance measures as “so many number of successful missions.” However, the definition or criteria for a successful mission is not explicitly stated in the budget document. Moreover, each electoral assistance project passes through various stages and questions of economy, efficiency and effectiveness remain relevant at each stage. OIOS observes that EAD’s accountability framework can be strengthened by developing a set of performance indicators and their benchmarks for satisfactory performance for all phases of the electoral assistance projects.

27. The development of performance indicators in this field must comply with General Assembly resolutions pertinent to electoral assistance, which highlight that there is no single model of electoral assistance. Indicators of performance for an electoral component of peacekeeping mission must be interlinked with other components’ goals and performance indicators and must fall within the scope of the electoral mandate. As such, the Electoral Assistance Division should prescribe custom-made performance indicators. This can be done within the existing RBB framework. This is possible by refining the existing system of defining indicators of achievement and outputs in the budget documents by adding precise variables of economy, efficiency and effectiveness in each indicator of achievement and output.

Recommendation 5

EAD should develop performance indicators and benchmarks for measuring the performance of various phases of the electoral assistance projects in the broader framework of economy, efficiency and effectiveness. These indicators and benchmarks should be made part of the Division's Results-based Budget submissions (AP2005/560/05/05).

28. *In response to recommendation 5, DPA/EAD stated that for the 2006-07 biennium budget, Member States chose the "number of successful missions" as the indicator of achievement, even though EAD had proposed a different one ("number of independent electoral bodies established"). The findings convey the notion that lack of definition or criteria for a successful mission was a choice of EAD, and made no distinction between EAD's results-based budget's indicators of achievement and those for an electoral component of peacekeeping mission.*

29. OIOS clarifies that recommendation 5 does not deal with any particular indicator of achievement. Rather it suggests a system of developing such indicators which are quantifiable and measurable. Recommendation 5 will remain open in the OIOS database pending implementation.

The roster of electoral experts maintained manually by EAD needs to be transformed into a web-based online roster on an urgent basis.

30. EAD maintains a roster of electoral experts manually. It has information on more than 900 experts. It is updated by the EAD on an on-going basis. The Division uses this roster on a daily basis and in practice has found it a useful mechanism to search and place competent people on a short notice. However, with the increasing demand on the UN for providing electoral assistance and with the increasing complexity of the nature of assistance, there has been a realization in EAD to seek a technology-based solution which would allow the prospective experts to register online and the Division to search for experts electronically. For this purpose, EAD conceived a project in 2002, with the following milestone dates:

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| • Drafting of the statement of work | 5 September 2002 |
| • Issuance of RFP | 25 January 2003 |
| • Closing dates for submission of proposals | 25 February 2003 |
| • Technical evaluation of proposals | 23 April 2003 |
| • Financial evaluation of proposals | 2 May 2003 |
| • Notice to abandon the proposals | 5 May 2003 |
| • Request for funds in 2004-05 budget | 16 May 2003 |

31. In September 2002, EAD decided to outsource the work. By the end of January 2004, it solicited Requests for Proposal (RFPs) through the regular UN channels, which resulted in a range of tenders (predominantly from North American contractors), with a minimum bid of \$130,000. The Division had set aside only \$50,000 from the Trust Fund for

Voluntary Observation of Elections for this project. Therefore, it had to discard the proposals.

32. OIOS observes that the Division has been following the project proposal at a slow pace. For example, it took EAD and the Procurement Service five months to issue the RFP after the Statement of Work was ready, and another two months for the evaluation of bids. After taking eight months to reach a final stage, it had to abandon the proposal due to insufficient funding.

33. EAD made a proposal for the project in the budget submission for the biennium 2004-05. However, in the final submission of budget by DPA for 2004-05, there was no request for this project. Thus another period of two years was lost.

34. OIOS appreciates that interest in the project has revived recently. DPA has requested for \$158,200 in the budget submission for 2006-07, which ACABQ also recommended to the Fifth Committee. In all probability, the funding shall become available in the budget for 2006-07.

35. OIOS observes that the idea to seek a technology-based solution whereby the prospective consultants would be able to register online and the Division to search for appropriate experts electronically would enhance the efficiency and effectiveness of the Division significantly. The manual maintenance of the roster is laborious, cumbersome and not search-friendly.

Recommendation 6

As soon as funds become available, EAD should implement the project of transforming the manually-managed roster of experts into a web-based roster on an urgent basis (AP2005/560/05/06).

36. *DPA/EAD commented that recommendation 6 reached beyond the scope of management audit of the DPKO and did not link the action recommended with the resources required for implementation by the EAD.* In OIOS' view, EAD should try to obtain the necessary resources in the next budget. Recommendation 6 will remain open in the OIOS database pending implementation.

37. I take this opportunity to thank the management and staff of DPA for the assistance and cooperation provided to the auditors in connection with this assignment.

Copy to: Mr. Jan Pronk, Special Representative of the Secretary-General, UNMIS
Ms. Mary Roth, OIC, Chief Administrative Officer, UNMIS
UN Board of Auditors
Programme Officer, OIOS