



## **INTERNAL AUDIT DIVISION**

# **AUDIT REPORT**

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### **Management of the Closure of Selected OCHA Offices**

**20 March 2008**

**Assignment No. AN2007/590/04**

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United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE

OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTRÔLE INTERNE

TO: Mr. John Holmes Under-Secretary-General and  
A: Emergency Relief Coordinator,  
Office for the Coordination of Humanitarian Affairs

DATE: 20 March, 2008

REFERENCE: IAD: 08-01134

FROM: Dagfinn Knutsen, Director  
DE: Internal Audit Division, OIOS



SUBJECT: **Assignment No. AN2007/590/04 - Management of the Closure of Selected OCHA Offices**  
OBJET:

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we are pleased to inform you that we will close recommendations 2, 8, 11, 14, 15 and 16 in the OIOS recommendations database as indicated in Annex 1. In order for us to close the remaining recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.
3. Your response indicated that you did not accept recommendations 6, 9, 12 and 13. In OIOS' opinion however, these recommendations seek to address significant risk areas. We are therefore reiterating them and request that you reconsider your initial response based on the additional information provided in the report.
4. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as critical (i.e., recommendations 6 and 7), in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc:

Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors  
Mr. Jonathan Childerley, Chief, Oversight Support Unit, Department of Management  
Mr. Byung-Kun Min, Programme Officer, OIOS  
Mr. William Petersen, Chief, New York Audit Service, OIOS

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## INTERNAL AUDIT DIVISION

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### FUNCTION

*“The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization” (General Assembly Resolution 48/218 B).*

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### CONTACT INFORMATION

**DIRECTOR:**

Dagfinn Knutsen, Tel: +1.212.963.5650, Fax: +1.212.963.2185,  
e-mail: [knutsen2@un.org](mailto:knutsen2@un.org)

**DEPUTY DIRECTOR:**

Fatoumata Ndiaye: Tel: +1.212.963.5648, Fax: +1.212.963.3388,  
e-mail: [ndiaye@un.org](mailto:ndiaye@un.org)

**CHIEF, NEW YORK AUDIT SERVICE:**

William Petersen: Tel: +1.212.963.3705, Fax: +1.212.963.3388,  
e-mail: [petersenw@un.org](mailto:petersenw@un.org)

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## **EXECUTIVE SUMMARY**

### **Management of the Closure of Selected OCHA Offices**

OIOS conducted an audit of the management of the closure of selected offices in OCHA. The overall objectives of the audit were to assess the adequacy of internal controls for the management of the closure of OCHA offices and assess the compliance with policies and procedures established for the closure of offices. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

The audit covered both substantive and administrative aspects of the closure of OCHA field offices in Angola and Tajikistan. The substantive information of the OCHA office at Guinea was also reviewed as it had been scheduled for closure at various times since May 2006 but was still open at the time of the audit in July 2007.

In OIOS' overall assessment, there was lack of compliance with the procedures prescribed in OCHA's field administrative manual. This was due to procedures not being explained in sufficient detail, the lack of templates to be completed by staff as they undertake each step in the manual, and not assigning designated staff to perform stipulated functions. The manual had not been promulgated under a prescribed authority within OCHA and served more as a general guideline rather than as a tool for ensuring compliance. This has resulted in a lack of consistency in the processes being followed. Most significantly, the criteria by which the process of office closure was to be initiated and assessed were not clearly defined.

In the cases of Angola and Tajikistan, OIOS found that there was little or no documentation to support the Coordination and Response Division's evaluation of readiness for closure, consultations with stakeholders and the adoption of an exit strategy. The Emergency Relief Coordinator's final approval of the closure was not documented in the files in the case of Tajikistan.

OCHA offices in Angola and Tajikistan had generally not complied with the field administrative manual in performing the closure of the offices. The originally scheduled date of closure for the Angola office was 30 June 2004, but the office only closed approximately two years later on 15 April 2006. The closure timeline for Tajikistan was not documented. In both Angola and Tajikistan, the accounts still remained open because the outstanding Inter-Office Vouchers had not been reconciled. Further, in the two offices, the unutilized balances had not been returned to the donor nor adjusted in the general pool of funds and could not be utilized by OCHA for other projects. Assets registers in Angola were incomplete and the disposed assets had not been reconciled with the assets registers.

OIOS has made a number of recommendations to improve the internal controls for the closure of field offices.

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## I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the management of closure of selected OCHA field offices. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. OCHA maintained 37 field offices as of June 2007. A list of OCHA offices is shown in Annex II. OCHA closed the following eight offices between 2005 and 2007.

**Table 1: OCHA field offices closed between 2005 and 2007**

	Country	Date opened	Date Closed
1.	Angola	01.01.1993	15.04.2006
2.	Georgia	01.01.1991	31.12.2004
3.	Indonesia (Aceh)	01.02.2002	31.12.2006
4.	Japan	01.01.2002	31.12.2006
5.	Lebanon	01.01.2002	31.12.2006
6.	Liberia	01.02.2002	31.12.2004
7.	Sierra Leone	01.01.1996	31.12.2005
8.	Tajikistan	01.01.1993	31.08.2004

3. According to the “OCHA Field Administrative Manual” and the “Draft Policy on the Criteria for Closing an OCHA field office” dated 16 May 2002, one of the two following conditions should be met for closing an OCHA field office:
  - Circumstances such as *force majeure* or sovereign decision of a State;
  - Internal OCHA policy decision based on: the fact that the humanitarian situation no longer warrants an OCHA presence; or the focus of the response has shifted to rehabilitation/reconstruction and the risk analysis by OCHA indicates sustained peace and security, food security, political stability and adequate natural disaster response and management.
4. Comments made by the Management of OCHA are shown in *italics*.

## II. AUDIT OBJECTIVES

5. The major objectives of the audit were to assess:
    - (a) The adequacy of internal controls for the management of the closure of OCHA offices, as reflected in the OCHA field administrative manual and other relevant documentation; and
    - (b) OCHA’s compliance with policies and procedures established for the closure of offices.
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### **III. AUDIT SCOPE AND METHODOLOGY**

6. The audit covered both substantive and administrative aspects of the closure of OCHA field offices in Angola and Tajikistan. The substantive information of the OCHA office at Guinea was also reviewed as it had been scheduled for closure at various times since May 2006, but was still open at the time of the audit in July 2007.

7. The audit was conducted in New York and Geneva and included the review of documentation and interviews of staff of the Coordination and Response Division (CRD) and the Administrative and Finance Division.

### **IV. AUDIT FINDINGS AND RECOMMENDATIONS**

#### **A. Policies and procedures**

##### Lack of finalization of the policy and procedures for closure of OCHA offices

8. The Policy Development and Studies Branch (PDSB) of OCHA, New York had circulated a draft policy for closing OCHA field offices dated 16 May 2002, which was yet to be finalized in 2007. Furthermore, the field administrative manual describes only broadly the steps for the closure of an office, and does not detail the specific criteria or benchmarks that should be used for determining whether to close an office. The absence of specific criteria affects the ability of OCHA's desk officers to first assess and then document the need for closure of a field office consistently and objectively. In particular, establishing clear criteria is critical when there is a high risk that Resident Coordinators or other stakeholders may exert pressure to continue the field offices at specific locations while objective factors warrant their closure.

#### **Recommendation 1**

**(1) The OCHA Administration should finalize the policy on the criteria to be used by OCHA staff for determining whether to close a field office.**

9. *The OCHA Administration accepted recommendation 1 and stated that the issue will be discussed by a working group of the Field Office/OCHA Transition (FO/OT) Working Group, plus a Policy Development and Studies Branch (PDSB) - Coordination and Response Division (CRD) joint working group, for resolution.* Recommendation 1 remains open pending the receipt of the policy on closure of field offices based on the discussion of the PDSB-CRD joint working group.

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Lack of documentation of decision making process for closure of OCHA offices

10. The assessment of whether an office should be closed begins with the annual program funding reviews for OCHA as a whole, followed by the annual and mid-year work plans review. The Coordination and Response Division (CRD) identifies specific criteria and benchmarks and monitors the humanitarian situation in a country on an ongoing basis, and provides inputs into the annual funding and work plan reviews. CRD staff also visit the offices and submit their assessment in mission reviews and mission reports to the Senior Management Team (SMT) at OCHA, New York.

11. The SMT reviews the CRD proposal and consults other stakeholders including the Inter-Agency Standing Committee (IASC). If an office is considered ready for closure, the CRD proposes an exit strategy to the Emergency Relief Coordinator (ERC) for final approval. The decision of the ERC to close an office is then communicated to the Administrative Officer, Geneva who is responsible for preparing a liquidation plan for the office.

12. OIOS found that the annual and mid-year work plan reviews were performed for the three offices sampled (Angola, Tajikistan and Guinea). However, there was little or no documentation to support the CRD's evaluation of readiness for closure, consultations with stakeholders and the adoption of an exit strategy. In the case of Tajikistan, the ERC's final approval of the closure was not documented in the file.

**Recommendation 2**

**(2) The OCHA Administration should ensure that approvals for closure of offices by the Emergency Relief Coordinator are documented and filed.**

13. *The OCHA Administration accepted recommendation 2 and stated that OCHA will ensure that approvals for closure of field offices by the ERC are documented and filed with the Administrative Office. Based on the action taken by OCHA, recommendation 2 has been closed.*

Insufficient compliance with established administrative procedures

14. OIOS found that while ensuring final recoveries from staff is an activity outsourced to UNDP, the manual describes it as an OCHA procedure. There is therefore a need to clarify responsibility for this particular activity.

**Recommendation 3**

**(3) The OCHA Administration should clarify that the procedure and responsibilities for making final recoveries from staff rests with UNDP.**

15. *The OCHA Administration accepted recommendation 3 and stated that the manual will be revised to indicate that the responsibilities for making final*



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*recoveries from national/local staff members rest with UNDP. Recommendation 3 remains open pending the revision of the administrative manual incorporating clarified procedures and responsibilities for making final recoveries from staff.*

Insufficient evidence of compliance with established procedures

16. OCHA was relying on informal communications such as emails and this resulted in a loss of accountability and institutional memory for the closure of field offices. OCHA had not established a procedure to ensure that each critical step in the decision making process for closure of offices was completed and documented.

17. OIOS also found that OCHA generally did not comply with the field administrative manual in performing the closure of the Angola and Tajikistan offices. For example:

- It was not possible to confirm the dates the ERC approved office closure. The exit strategy mission for Angola referred to 1 July 2004 as the closure date, however, the date approved by the ERC was not documented and activities continued until 15 April 2006. In the absence of documentation, OIOS could not determine whether the delay in closing the Angola office was justified.
- There were no liquidation plans, creating risks of disorderly and/or delayed implementation.
- No lists of outstanding commitments to landlord/suppliers were available.
- No documents evidencing hand over of petty cash balances existed in files.
- No final inventory of assets was performed for the Angola office.
- Records were not properly disposed of in the case of the Tajikistan office, weakening an audit trail.
- Notification of host country authorities of closure was not documented in the files.

18. Neither checklists nor a sign off procedure were established requiring responsible officials to document actions taken to ensure (a) procedures were consistently followed, and (b) accountability for compliance with established procedures was monitored.

**Recommendation 4**

**(4) The OCHA Administration should ensure compliance of staff to its field administrative manual and other policies. To facilitate compliance it should introduce templates for each activity to be performed and have an overall checklist to be signed off by designated staff at every step of the office closure process.**

19. *The OCHA Administration accepted recommendation 4 and stated that OCHA will ensure that the manuals are appropriately revised to contain a*

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*checklist for closure of offices.* Recommendation 4 remains open pending the revision of the administrative manual to contain the templates and checklists for office closure.

Lack of standardization of information related to office closure

20. The information related to office closure was not standardized. For example, the final inventories of fixed assets were presented differently for the Tajikistan and Angola offices. Also, inconsistent criteria were used in the assessments made by the desk officers recommending closures of offices. In OIOS' view, the lack of standardization of the information in support of office closure reflects insufficient requirements in terms of documentation of related actions, and creates inefficiencies in as much as systems have to be unnecessarily re-created at each office closure.

**Recommendation 5**

**(5) The OCHA Administration should ensure that information requirements for completing the office closure process are standardized.**

21. *The OCHA Administration accepted recommendation 5 and stated that OCHA will review the procedures for closure of offices for possible standardization, where it is feasible and reasonable.* Recommendation 5 remains open pending receipt of documented standard procedures for the closure of offices.

Formal approval of the field administrative manual

22. A field administrative manual was issued sometime in 2006 and is accessible on CD-Rom and on the OCHA intranet. This manual contains guidelines to staff in the field on various issues including closing an office.

23. OIOS noted that the field administrative manual did not contain the approval of a designated authority in OCHA. Further, the date it became effective was unclear. Also, the steps required to support the actual implementation of the various actions were not well developed. Hence, there was a low level of compliance with the instructions contained therein.

24. The policy instruction document issued by the PDSB dated 30th April 2006, identified the need for a unified approach in development of policy and guidance for staff, and listed the four categories of guidance materials as shown below.

**Table 2: Categories of OCHA Guidance Materials as per PDSB policies**

Category	Level of Compliance
Policy instructions	Requiring compliance
Guidelines	Compliance is strongly recommended
Standard Operating Procedures	Compliance being expected
Handbook	Compliance with specific aspects is expected or strongly recommended, as applicable.

25. The required level of compliance with the field administrative manual is not stated in the categories of guidance materials listed in the PDSB document. OCHA needs to consolidate its instructions and clarify to staff the requirement to implement them.

**Recommendations 6 and 7**

**The OCHA Administration should:**

**(6) ensure that the field administrative manual is finalized and formally issued by a competent authority; and**

**(7) consolidate its instructions to staff on categories of guidance materials to ensure clarity in implementation procedures.**

26. *The OCHA Administration did not accept recommendation 6 and stated that the OCHA administrative manual is a published document in both printed (a book) and electronic (CD) formats. OCHA's senior management approved it and the book has a foreword by the Administrative Office and it would be impractical to sign and date the published documents in their current form. OIOS accepts that it would not be possible to sign the printed ones now but is of the opinion that after the revision of the published document as per recommendations 3 and 4 above, future copies should include the authority and the date. Recommendation 6 remains open pending the issuance of the revised manual.*

27. *The OCHA Administration accepted recommendation 7 and stated that the subject issue will be discussed through the Field Office/OCHA Transition (FO/OT) Working Group, Policy Development and Studies Branch (PDSB) - Coordination and Response Division (CRD) joint working group, for resolution. Recommendation 7 remains open pending the issuance of a consolidated set of instructions for staff after review of the PDSB-CRD joint working group.*

**B. Timelines for closure of offices**

28. A review of the exit strategy and other liquidation documents for offices showed that the timelines for closure of offices were not stated with sufficient accuracy. For example in the case of Angola, OCHA indicated the closure as “during the next 16 months”, without stating the starting date. The originally

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scheduled date of closure for the Angola office was 30 June 2004 but the office only closed approximately two years later on 15 April 2006. The closure timeline for Tajikistan was not documented. Reasons for extending the timeline for closures were not documented.

29. According to CRD reports dated May 2006, the Guinea office was first scheduled to be phased out by June 2006. This deadline was changed to July 2006, December 2006, June 2007 and December 2007 successively. OIOS noted that there was no requirement to have the exit strategy well in advance of the proposed closure date. In the case of Guinea, in two instances, the exit strategy reviews were conducted concurrently with the planned date of closure of the office.

#### **Recommendation 8**

**(8) The OCHA Administration should review and update the closure of office procedures to include stipulated timelines. The exit strategy should be planned well before the anticipated date of closure of the office.**

30. *The OCHA Administration accepted recommendation 8 and stated that this recommendation is now reflected in the Coordination and Response Division (CRD) work plan and has been proposed as a standard indicator in all field office work plans, though yet to be endorsed.* Based on the action taken by OCHA, recommendation 8 has been closed.

#### **C. Post office-closure evaluation**

31. OIOS noted that OCHA was not conducting any post office-closure evaluations. Such evaluations are helpful to learn lessons from experience of past missions.

#### **Recommendation 9**

**(9) The OCHA Administration should ensure that post office closure evaluations are required after the closure of its field offices.**

32. *The OCHA Administration accepted recommendation 9 and stated that the Evaluation and Studies Section (ESS) of PDSB undertakes post office-closure evaluations at the request of Coordination and Response Division (CRD) when it is deemed required and according to OCHA' priorities.* Recommendation 9 remains open pending receipt of the post office closure evaluations from Evaluation and Studies Section (ESS) of the Policy Development and Studies Branch (PDSB).

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## **D. Accounting issues**

### Reconciliation of Inter Office Vouchers (IOVs) for closed offices

33. A reconciliation of IOVs is required to close the accounts of liquidated offices. Amounts from IOVs that have not been reconciled are posted into a suspense account where they are held until UNDP either accepts to issue a credit or the amounts are otherwise reconciled. As at 24 June 2007 there was a balance of \$8,031 as unliquidated obligations for the Angola office and a balance of \$244,995 in the Angola suspense account (G/L 2418). Some of the items in the Angola suspense account were long outstanding and dated to as far back as February 2002. The Tajikistan office accounts had a nil balance in its suspense account and its unliquidated obligations but the accounts still remained open because there were outstanding IOVs yet to be reconciled.

34. OCHA Geneva attributed the delay in the reconciliations to the lack of resources and paucity of information from UNDP on the disputed items. OIOS noted that there is no timeline for reconciliation of balances and as such no motivation for OCHA and UNDP personnel to resolve items in the suspense accounts, unreconciled IOVs and unliquidated obligations.

#### **Recommendations 10 and 11**

##### **The OCHA Administration should:**

**(10) in consultation with UNDP include timelines for the reconciliation of Inter Office Vouchers; and**

**(11) dedicate resources to clear the backlog of reconciling the Inter Office Vouchers for closed offices.**

35. *The OCHA Administration accepted recommendation 10 and stated that the administrative office of OCHA Geneva, will reconcile the UNDP Service Clearing Account (SCA) and follow the time lines already established by UNDP. This will become more practical once OCHA is up-to-date with its IOV processing. Recommendation 10 remains open pending the receipt the December 2007 reconciled Inter Office account.*

36. *The OCHA Administration accepted recommendation 11 and stated that the recommendation is already implemented and reconciliation of the OCHA SCA should be on schedule by 31 March 2008. Based on the action taken by OCHA, recommendation 11 has been closed.*

### Treatment of unutilized funds

37. Funds left unutilized at the closure of the mission are surplus funds. In the financial statements as at 31 December 2006, the net fund balances for Angola and Tajikistan were \$515,373 and \$2,188 respectively.

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38. OCHA does not have a written policy on the treatment of surplus funds received from multiple donors over the lifespan of the office. OIOS was informed that OCHA follows a “First-in-First-out” method to determine which donor or donors the surplus funds should be returned to. If a balance remains from an earmarked contribution, OCHA contacts the related donor to discuss how best to redeploy the funds or determine whether the donor wants the balance to be returned. However, in the case of Angola and Tajikistan, the balances had not been returned to the donor nor merged with the general pool of funds. Therefore, they could not be utilized by OCHA for other projects or otherwise dispensed.

39. The Office of Programme Planning and Budget and Accounts (OPPBA) informed OIOS that the policy for treatment of surplus funds is the responsibility of the various substantive offices that are signatories to the Trust Fund agreements.

### **Recommendation 12**

**(12) The OCHA Administration should develop a policy on the treatment of surplus funds so that they can be appropriately utilized.**

40. *The OCHA Administration did not accept recommendation 12 and stated that OCHA, by a settled practice, has already implemented the system of First-Received-First-Spent for surplus contributions received.* OIOS is of the opinion that it is necessary to document the “settled practice” of First-Received-First-Spent as an internal policy. Recommendation 12 remains open pending the receipt of a document incorporating the principle of First-Received-First-Spent practice as an official internal policy.

### Accounting for grants

41. At the end of the tenure of the OCHA office in Angola, an agreement was reached with UNDP to form a Transitional Coordination Unit (TCU) to handle OCHA activities during the transitional period. The estimated budget for these activities amounted to \$957,014 and was funded by OCHA as a grant to UNDP.

42. The signed grant agreement included the terms that the Comptroller of UNDP would submit a certified annual financial statement in the prescribed form by 30 June, 2006. By the terms of the grant agreement, UNDP was not required to submit an itemized expenditure report and consequently, the expenditure report submitted by UNDP was not in accordance with itemized budget lines indicated in the original cost plan. For example, operating costs included expenditures under security, premises, communication supplies, etc., while the actual report only included the lump sum amount spent on operating expenditures, which made an analysis of variances impossible.



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### Recommendation 13

**(13) The OCHA Administration should request UNDP to submit expenditure reports, indicating the expenditures by line item as indicated in the original budget.**

43. *The OCHA Administration did not accept recommendation 13 and stated that the e-IOVs received from UNDP are generated by the UNDP Atlas system. What OCHA needs is that all lines in the e-IOV contain appropriate information full Budget Account Classification (BAC), Miscellaneous Obligation Document (OBMOs) and adequate descriptions to enable OCHA to process the e-IOVs with minimum delay.* OIOS is of the opinion that details of the expenditure in the particular case of the grant advanced to UNDP has to be collected separately and compared with the original budget lines. OIOS therefore reiterates Recommendation 13 and it remains open, pending receipt of the documentation on the expenditure for the \$957,014 granted to UNDP for the Transitional Coordination Unit (TCU) according to the original budget lines.

### **E. Assets management**

44. In certain instances, the asset costs and/or serial numbers were not recorded in the assets register. For example, OIOS found that five vehicles and a generator acquired between 1995 and 1999 for Angola were not attributed a cost in the assets register. Furthermore, in six cases, the asset serial numbers were different from the serial numbers used on the assets disposal forms. Also, motor vehicles in the assets disposal forms were identified by means of the national registration number, while in the assets register they were identified with unique manufacturer serial numbers. Without complete and relevant information on the identity and cost of assets, the value of assets liquidated was not known.

**Table 3: Examples of assets in the register without values**

	Asset description	Serial number	Date acquired
1.	Suzuki Samurai	SJ80102965	01-08-1998
2.	Suzuki Samurai	SJ80102965	01-08-1998
3.	Suzuki Samurai	SJ80102965	01-08-1998
4.	Suzuki Samurai	SJ80102965	01-08-1998
5.	Land cruiser	HZJ80L-0023744	01-01-1995
6.	Gasoline Generator	CA7054/4	01-01-1999

45. In Angola a number of assets authorized for donation could not be traced to the assets register, thus indicating that the assets register was incomplete. Such cases are shown in Table 4.

**Table 4: Assets authorized for disposal in Angola but not listed in the fixed assets register<sup>1</sup>**

Description	Serial #	Year acquired	Purchase value ¥
Toyota Land Cruiser	JT711PJA5-07001098	1998	3,425,821
Toyota Land Cruiser	JTECBO1J-X0100306	2000	1,690,540
Toyota Land Cruiser	JTECBO1J501000546	2000	2,894,300
Toyota Land Cruiser	JTECBO1J501000546	1998	2,894,300
Toyota Land Cruiser	JT711PJA5-07001106	1998	3,425,821
Toyota Land Cruiser	JTECBO1J501006574	2002	3,383,500
Toyota Land Cruiser	JTECBO1J301006587	2002	3,383,500
Toyota Land Cruiser	JTECBO1J501006588	2002	3,383,500
Toyota Land Cruiser	JTECBO1J501006588	1998	3,383,500
Total value in original currency			¥27,864,782
Dollar equivalent value			\$258,501 <sup>2</sup>

46. The OCHA field administrative manual requires that upon closure of an office a final inventory and physical count should be completed. The final inventory must update the last inventory taken and must include any supporting documents such as reports of assets previously disposed of, lost or damaged. OCHA Angola had not complied with this provision.

47. OIOS also found out that the annex containing the list of assets that were received, disposed or transferred were not initialed nor the values totaled. Therefore, the risk existed that the listing of disposed assets could be altered.

#### **Recommendations 14 to 16**

##### **The OCHA Administration should:**

**(14) ensure that its offices maintain a complete fixed asset register containing the cost of acquisition and serial number of each asset as required the field administrative manual;**

**(15) ensure that the listing of disposed assets attached to the memorandum authorizing the receipt, disposal and transfer of assets be initialed by persons authorizing the disposal of the asset, and include the quantity and cost of each asset; and**

**(16) ensure that a final reconciliation of the fixed assets register is conducted after the disposal of all assets to ensure that all assets authorized for disposal have been disposed of**

<sup>1</sup> Source: Property Survey Board case report and recommendation approvals

<sup>2</sup> Converted at the average exchange rates obtaining between dollar and Yen for 2000 i.e. \$0.009277 = ¥ 1.00



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**and appropriate explanations given for any unreconciled items.**

48. *The OCHA Administration accepted recommendation 14 and stated that OCHA field offices currently provide an inventory of assets as of 30 June and 31 December each year. Based on the action taken by OCHA, recommendation 14 has been closed.*

49. *The OCHA Administration accepted recommendation 15 and stated that OCHA field offices have been advised of this requirement. Based on the action taken by OCHA, recommendation 15 has been closed.*

50. *The OCHA Administration accepted recommendation 16 and stated that OCHA field offices have been advised of this requirement. Based on the action taken by OCHA, recommendation 16 has been closed.*

## **F. Document management and retention**

51. OIOS noted that the management and retention of documents for closed offices could be improved for ease of retrieval after offices have been closed. During the audit various documents had to be obtained from individual computers rather than from a central storage database.

52. A centralized document management and retention system is important in order that information may be easily accessible for staff taking over new positions. Staff turnover in OCHA field offices is high and there is a need for information to be transparent and available.

53. Section 4 of the Secretary-General's bulletin ST/SGB/2007/5 stipulates inter alia that "Departments and offices shall develop and implement a policy regarding the retention of their records, including transitory records, through a records retention schedule subject to approval by the archives and records Management Section." It also states that ".....they shall also identify records to be retained as archives of the organization."

54. OIOS noted that the OCHA administrative manual was not specific on the documents to be archived for closed offices. The PDSB unit informed OIOS that it was in the process of establishing a database for document retention. However, the database did not contain a provision for documents for closed offices.

### **Recommendation 17**

**(17) The OCHA Administration should comply with the United Nations record-keeping policies in ST/SGB/2007/5 by ensuring that key documents by ensuring that key documents relating to its closed offices are identified for archiving, and archived using the intranet. Instructions for that purpose should be issued to all concerned.**

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55. *The OCHA Administration accepted recommendation 17 and stated that OCHA's document retention policy is in accordance with the UN's standard policy and is described in the Administrative Manual, which includes key documents relating to field office closures. OCHA is also planning to archive all key documents in the OCHA Document Management System (ODMS), which is the official on-line repository for OCHA documents. ODMS is accessible through OCHA's intranet. In OIOS's opinion, there is a need for OCHA to clarify which key documents of closed offices need to be stored in the OCHA Document Management System (ODMS). Recommendation 17 remains open pending the identification and archiving of the key documents that need to be stored in the intranet when OCHA closes an office.*

## **V. ACKNOWLEDGEMENT**

56. We wish to express our appreciation to the Management and staff of OCHA for the assistance and cooperation extended to the auditors during this assignment.

## STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	C/O <sup>1</sup>	Actions needed to close recommendation	Implementation date <sup>2</sup>
1	O	Provide OIOS with the policy on closure of field offices based on the discussion of the PDSB-CRD joint working group.	June 2008
2	C	Closed	June 2008
3	O	Revision of the administrative manual incorporating clarified procedures and responsibilities for making final recoveries from staff.	June 2008
4	O	Revision of the administrative manual to contain the templates and checklists for office closure.	June 2008
5	O	Provide OIOS with documented evidence on the standardization of office closings for the next two offices that OCHA closes.	June 2008
6	O	Issuance of the revised manual with approval and date.	Not Provided
7	O	Issuance of a consolidated set of instructions for staff on Office Closure after review of the <i>PDSB-CRD joint working group</i> .	June 2008
8	C	Closed	June 2008
9	O	Provide OIOS with the post office closure evaluations from Evaluation and Studies Section (ESS) of PDSB.	Partially implemented
10	O	Provide OIOS with documentation on the December 2007 reconciled Inter Office account.	June 2008
11	C	Closed	March 2008
12	O	Provide OIOS with a document incorporating the principle of First-Received-First-Spent practice as an official policy.	Not Provided
13	O	Provide OIOS with the documentation on the expenditure for the \$957,014 granted to UNDP for the Transitional Coordination Unit (TCU) according to the original budget lines.	Not Provided
14	C	Closed	Already implemented
15	C	Closed	January 2008
16	C	Closed	January 2008
17	O	Provide OIOS with listing of the key documents that need to be stored on the OCHA Document Management System (ODMS) when OCHA closes an office and proof that the documents have been archived in the ODMS.	December 2008

1. C = closed, O = open

2. Date provided by OCHA in response to recommendations.

## List of Countries with OCHA Presence in 2007

Country / Location	Date opened
Afghanistan	26.09.2001
Burundi	01.01.1994
Burkina Faso	N/A
Central African Republic	06.05.2004
Chad	22.09.2004
Colombia	01.01.1999
Congo	15.05.2003
Cote d'Ivoire	01.01.2002
Democratic People's Republic of Korea	01.01.1995
Democratic Republic of Congo	01.01.1996
Eritrea	01.01.1999
Ethiopia	01.01.1994
Guatemala	N/A
Guinea	01.01.2001
Haiti	25.02.2004
Indonesia	01.02.2002
Iraq	01.01.2002
Islamic Republic of Iran	01.01.2002
Japan	01.01.2002
Kenya	01.01.1996
Madagascar	N/A
Mozambique	01.01.2002
Nepal	01.05.2004
Occupied Palestinian Territories	01.01.2000
Panama	01.01.2002
Pakistan	
Papua New Guinea	01.08.2005
Russian Federation	01.01.1997
Senegal	01.08.2003
Somalia	01.01.1997
South Africa	01.01.2002
Sri Lanka	22.06.2006
Sudan	01.01.1997
Thailand	01.01.2004
Timor-Leste	01.06.2006
Uganda	01.01.1998
Zimbabwe	25.07.2006