

Office of Internal Oversight Services  
Internal Audit Division II

MEMORANDUM

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REF: AUD-II/ 01178/06

26 April 2006

TO: Mr. Antonio Maria Costa, Executive Director  
United Nations Office on Drugs and Crime

FROM: Corazón C. Chávez, Acting Deputy Director  
and Officer-in-Charge, Internal Audit Division II  
Office of Internal Oversight Services

SUBJECT: **Audit of the Partnership and Development Branch of the Division  
for Operations of UNODC (AE2005/365/01)**

1. I am pleased to submit the final report on the audit of the Partnership and Development Branch of the Division for Operations of the United Nations Office on Drugs and Crime, which was conducted from 5-25 September 2005 in Vienna, Austria by Mr. Berner Matthee and Mr. Diomedes Tinana.
2. A draft of the report was shared with the Director of the Division for Operations on 4 January 2006, whose comments, which were received in January 2006, are reflected in this final report.
3. I am pleased to note that all of the audit recommendations contained in the final Audit Report have been accepted and that the Division for Operations has initiated their implementation. The table in paragraph 54 of the report identifies those recommendations, which require further action to be closed. I wish to draw your attention to recommendations 2 and 3, which OIOS considers to be of critical importance.
4. I would appreciate if you could provide me with an update on the status of implementation of the audit recommendations not later than 31 May 2006. This will facilitate the preparation of the twice-yearly report to the Secretary-General on the implementation of recommendations, required by General Assembly resolution 48/218B.
5. Please note that OIOS is assessing the overall quality of its audit process. I therefore kindly request that you consult with your managers who dealt directly with the auditors, complete the attached client satisfaction survey form and return it to me under confidential cover.
6. Thank you for your cooperation.

Attachment: Client Satisfaction Survey Form

cc: Ms. S. Noyan, Director, Division for Operations, UNODC (by e-mail)  
Mr. K. Eriksson, Audit Focal Point, UNODC (by e-mail)  
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**United Nations  
Office of Internal Oversight Services  
Internal Audit Division II**

# **Audit Report**

**Audit of the Partnership and Development Branch of the Division of Operations  
of UNODC  
(AE2005/365/01)  
Report No. E06/R02**

- **Report date: 26 April 2006**
- **Auditors: Berner Mathee  
Diomedes Tinana**

UNITED NATIONS



NATIONS UNIES

**Office of Internal Oversight Services  
Internal Audit Division II**

**Audit of the Partnership and Development Branch of the Division of Operations of UNODC  
(AE2005/365/01)**

**EXECUTIVE SUMMARY**

In September 2005, OIOS conducted an audit of the Partnership and Development Branch (PDB) of the Division for Operations of the United Nations Office on Drugs and Crime. *UNODC has accepted the recommendations made and is in the process of implementing them.*

**Managerial functions**

- PDB's managerial functions, i.e. planning, programme support, monitoring and assessing performance were comprehensive and OIOS found adequate documentary evidence in submissions and performance reports to be assured that managerial functions were adequately documented and implemented.
- An OIOS questionnaire, sent to all of UNODC's 21 field offices, received a response rate of 80 per cent. Their responses were positive. Representatives considered the functions of Regional Sections as essential/important for effective field operations and they viewed the support to programme matters and global initiatives as the Regional Sections' biggest impact. Almost all were satisfied with the frequency/sufficiency of communication and rated the relationships as good/excellent. Eighty per cent valued the coordination and liaison function of the Regional Sections; 20 per cent viewed the Regional Sections as a knowledge and resource centre.

**Structure of regional sections and staffing**

- The Latin America and Caribbean Section (LACS) and the Southeast Asia and Pacific Section (SEAPS) are well structured and both of the Regional Sections were adequately staffed. The Europe and West/Central Asia Section (EWCAS) and the Africa and Middle East Section (AMES) had less staff at the Professional level than planned. Consequently, Project Coordinators and Associate Experts performed Programme Management Officer (PMO) functions. Still, the two P-4 PMOs had to carry a substantial workload.
- Section Chiefs did well in allocating tasks among the staff even though their grades, experiences and qualifications differed substantially, with only a few staff having served in UNODC field operations. Considering that 40 per cent of a PMO's tasks are related to requests, events or submissions, which come up any time throughout the year, the unpredictability of this workload further complicated task allocation.

**Functions of regional sections**

- OIOS suggested that the strategic functions in the area of programme development, partnership development and management support to Field Offices should be separated, within PDB and with the current resources, from the Regional Sections' Project Cycle Management functions. The former

functions relate more closely to PDB's managerial functions and they require expertise, normally performed by Section Chiefs or experienced PMOs. Unlike in Project Cycle Management functions, they do not lend themselves to quantifiable workload and performance indicators, which are more difficult to formulate, making allocation of responsibilities and managing of time spent versus outputs difficult as well. To address these concerns would require PDB to change the current structure within the Regional Sections. *PDB considered the separation of functions as suggested. However, new developments occurred since the audit. Indeed, Senior Management requested PDB to explore the possibility of decentralizing the Regional Sections. The Latin America and the Caribbean Section has been selected to carry out the exercise on a pilot basis. Decentralization would further reduce the already stretched resources of PDB and thereby hamper a reorganization of the Branch as proposed by OIOS, which suggested that the reorganization should be done without increasing resources. Therefore, discussions with and decisions by Senior Management depend on the final decision on decentralization. OIOS concurred with this approach.*

#### Responsibilities of regional sections

- The workload and responsibilities of Regional Sections and individual PMO were very similar as regards administrative support to Field Offices. For programme development, the number of countries varied substantially between the Regional Sections and also for PMOs.
- The number of projects monitored was similar for the Regional Sections, but differed substantially among PMOs. With an average of 14 projects per PMO, some had less than half the afore-mentioned number, while others had more than 20 projects. The average multi-year project budgets for PMOs averaged \$25 million, with three staff having responsibility for projects amounting to less than \$10 million, three staff above \$40 million and one PMO above \$ 100 million. There was a need to examine the workload and, if necessary, re-distribute responsibilities more evenly among PMOs. *PDB undertook to develop more indicators by June 2006. However, the potential re-division of responsibilities will also hinge upon available resources and related decisions on decentralization.*

#### Time spent versus actual delivery

- Regional Sections spent, in general, 45 per cent of total time on Project Cycle Management, and 22 per cent on programme development. The remaining third is spent on five different areas, management reporting, ad hoc tasks, financing and donor relations, administrative support and partnership development. The main quantifiable outputs in 2005 and until August 2005 for main activities were:
  - Project Cycle Management – 150 project ideas/ documents were completed and 200 projects with multi-year budgets totaling \$380 million were monitored. This is a large area of responsibility, with some PMOs spending up to 60 per cent of their time.
  - Management reporting – an impressive delivery of 400 briefs and/or letters to management, 40 normative reports to governing bodies and/or donors and regular management expenditure reports for 350 project segments.
  - Programme development - 31 Country Profiles and Strategic Programme Frameworks.
  - Administrative support to Field Offices: Human resources management – No quantifiable output was identified, but four per cent is reasonable considering the total number of “core” staff and new appointments at the 21 Field Offices.
- There was a need to determine and monitor more quantifiable indicators. This was discussed during the presentation of EWCAS on PDB's workflows and workload and some indicators had been identified. *PDB undertook to determine more indicators.*

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## I. INTRODUCTION

1. From 5 to 25 September 2005, OIOS conducted an audit of UNODC's Partnership and Development Branch (PDB). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. PDB is one of two Branches of the Division for Operations. It is structured in four Regional Sections, each of which is responsible for several Regional (RO) and Country (CO) Offices, as follows:
  - Africa & the Middle East Section (AMES) – Eastern Africa (RO); Nigeria (CO); Middle East and North Africa (RO); Southern Africa (RO) and West and Central Africa (RO).
  - Europe & West/Central Asia Section (EWCAS) – Afghanistan (CO); Central Asia (RO); Iran (CO); Pakistan (CO) and Russian Federation and Belarus (RO).
  - Latin America and the Caribbean Section (LACS) – Bolivia (CO); Brazil & South Cone (RO); Caribbean (CO); Colombia (CO); Mexico & Central America (RO) and Peru (CO).
  - South/East Asia & the Pacific Section (SEAPS) – East Asia and the Pacific (RC); Lao PDR (CO); Myanmar (CO); South Asia (RO) and Viet Nam (CO).
3. The Chief of PDB has the responsibility to supervise and coordinate the work of the Branch and ensure effective cooperation and synergies with the Human Security Branch and other Headquarters units and reports directly to the Director of the Division for Operations. The Field Office Representatives (Representatives) report to the Director for overall policy matters and to the Chief of PDB for management and programme strategy. For day-to-day activities, the Representatives coordinate their work and liaise with the Chiefs of the Regional Sections.
4. With the overall responsibility to manage UNODC's technical cooperation programme, in close cooperation with Field Offices and other Headquarters units, PDB's functions are clearly established and described in its Terms of Reference. The UNODC network of Field Offices is part of PDB and their functions are described in separate Terms of Reference for Field Offices. Functional areas of PDB are support to programme development, programme implementation and monitoring as well as Headquarters liaison and policy guidance.

## II. AUDIT OBJECTIVES

5. The main objectives of the audit were to:
  - Determine whether the functions performed by the Sections are in accordance with the Terms of Reference for PDB and as to whether an adequate structure is in place to perform the functions, taking into consideration the workload and staffing.
  - Evaluate the workflow processes, mechanisms and procedures to determine whether adequate guidance is given and procedures are in place to ensure the effective and efficient performance of functions.
  - Assess the performance of the Sections and hence, the added value and availability of management information to measure performance and the Sections' impact with relation to the field activities.

### III. AUDIT SCOPE AND METHODOLOGY

6. The audit focused on the managerial functions of PDB and the functions performed by the Regional Sections. Although not exclusively, the audit looked into the processes linked to the functional areas of support to programme development, programme implementation monitoring and Headquarters liaison. The managerial processes in place to guide UNODC's Project Cycle Management were also reviewed.

7. The methodology comprised of a time recording exercise, discussions with and submissions from staff and the counting of actual outputs/deliverables. EWCAS, with the assistance of the other Regional Sections, prepared a presentation of PDB's workflows that was presented to OIOS, Heads of the Regional Sections and the Chief of PDB on 21 September 2005. The presentation provided the forum for discussion of internal processes, workload and data available for the monitoring of activities within the Regional Sections. Furthermore, OIOS sent a questionnaire to all 21 Field Offices and 80 per cent of the Representatives responded. OIOS analyzed the results and included them in this report.

8. OIOS interviewed staff in all Regional Sections to obtain an understanding of the functions and to identify similarities and differences in their roles and responsibilities. Extensive discussions were held with selected individuals at all levels of responsibility, including the Chief of PDB. Staff were also given the opportunity to provide additional information that included, information on their qualifications, field experiences, functions and scope of work as well as general time spent on main activities.

9. A draft of the report was shared with the Director of the Division for Operations on 4 January 2006, whose comments, which were received in January 2006, are reflected in italics in this final Audit Report. *UNODC has accepted the recommendations made in the draft report and is in the process of implementing them.*

### IV. AUDIT FINDINGS AND RECOMMENDATIONS

#### A. Managerial functions of PDB

10. With an overall mission "to ensure quality of services and delivery of performance." PDB grouped its managerial functions in four distinctive areas of work, i.e. planning, programme support, monitoring performance and assessing performance. These functions are interrelated to and applicable to both PDB and Field Offices. The functions and underlying activities were comprehensive, documented and adequate guidance was provided in Management Instructions and other directives to implement them.

11. PDB also developed numerous mechanisms and tools for programming, identification and formulation, resource mobilization, implementation and evaluation to assist Field Offices in performing their functions. Overall, OIOS found adequate documentary evidence in submissions and performance reports and responses from staff to be assured that managerial functions were established, well documented and adequately implemented.

#### B. Regional sections

12. The Regional Sections managed UNODC's technical cooperation programme and their functions (20 in total of which many had multiple end-products and/or activities) are divided into three areas: (i) support to programme development; (ii) programme implementation monitoring; and (iii) Headquarters liaison and policy guidance.

13. UNODC operated in a number of countries where there are no Field Offices and therefore, Regional Sections had to implement some programmes/projects. Also, the Regional Sections were the main consolidated “database” of knowledge and “centre” for documentation from which most end-users, internally and externally, were served.

14. UNODC’s work is expanding and covers as many as ten thematic areas. Therefore, the capacity within the Regional Sections became increasingly important. According to the Representatives, the biggest impact of the Regional Sections was their support to programme matters and global initiatives.

15. To assess the efficiency in which the Regional Sections carried out their responsibilities, OIOS compared the estimated total time spent by staff with the outputs delivered (products and services) by Regional Sections. To assess the quality of their work, the satisfaction of end-users (mainly Field Offices and UNODC’s Programme and Project Committee) was the main criteria. Accordingly, our assessment comprised an analysis of the following:

- Resources: Staffing within the Regional Sections and resources available to them,
- Responsibilities and workload: Volume indicators, such as number of Field Offices, projects, products and services,
- Efficiency: Time versus outputs,
- Quality: Documentary evidence and end-user satisfaction.

### **C. Staff and functions**

#### Staffing

16. The staffing table provided for 27 posts in PDB, with the Chief of PDB at D-1 level, 15 Professional and 11 General Service staff posts. The planned staff component of a Regional Section was reflected in the “Distribution Structure”, dated 24 August 2005, and comprised of a Section Chief (P-5), 3 Programme Management Officers (PMOs) (P-2/P-3/P-4) and 2 Programme/Team Assistants (P/TAs) (G-5/G-6). In addition and for the more complex Regional Sections, the “Distribution Structure” reflected 1 to 2 Project Coordinators (PC) (L-2/L-3) for EWCAS and AMES. Our assessment of the complexity of regions corresponded with the difference in staff numbers between the Regional Sections as per the “Distribution Structure”. Our ranking was from the most complex to the least; i.e. EWCAS, AMES, SEAPS and LACS and the “Distribution Structure” provided for eleven, nine, seven and six staff respectively.

17. However, the actual staffing, as shown in the following table, was not in accordance with the “Distribution Structure” for EWCAS and AMES.

***Table 1 – Actual staff as of August 2005***

Section	Section Chiefs	Programme Management Officers	Project Coordinators/ Programme Experts	Programme/Team Assistants	Total
EWCAS	1	1 P-4; 1 P-3	1 L-3; 1 L-2 & 1 JPO	3	9
AMES	1	2 P-4*	1 L-2, 1 JPO	3	8
SEAP	1	3 P-3	1 L-4	2	7
LACS	1	1 P-4; 1 P-3; & 1 P-2	None	2	6
Total	4	10	6	10	30

\* - One temporarily assigned

18. OIOS found LACS and SEAPS to be well structured and both of the Regional

Sections were adequately staffed and as per the Distribution Structure.

19. EWCAS and AMES were not at full strength. Apart from the one PMO (P-3) for Afghanistan, that was a large and complex operation with eighteen ongoing projects and total multi-year budgets totaling US\$ 43 million, there was only one PMO (P-4) in EWCAS. A recently appointed Associate Expert (L-2) and a Project Coordinator (L-3) performed PMO functions.

20. AMES had two PMOs (P-4), of whom one recently appointed and on a temporary assignment with the Regional Section. A Project Coordinator (L-2) and a Junior Professional Officer performed PMO functions. Noted were the increased responsibilities for both the experienced P-4 PMOs in the afore-mentioned Regional Sections.

21. The grades, experiences and qualifications of staff differed substantially with only a few staff having served in UNODC field operations. As much as 40 per cent of the 17 tasks of a PMO, related to requests, events or submissions, which occurred at any time and throughout the year. As such the workload is uncertain which further complicated task allocation. Irrespective of the afore-mentioned, Section Chiefs did well in allocating tasks to their staff. Information received from the staff gave a clear indication that tasks and responsibilities were allocated, taking into consideration prior experiences, competencies, workload and individual performance appraisals.

### Functions

22. Strategic functions in the area of programme development, partnership and management support to Field Offices require a number of actions and decisions that are diverse in nature. They are also more closely related to the liaison work and managerial functions of PDB than the programme/project implementation and monitoring tasks of the Regional Sections. They include the development of regional strategies; overall financial and budgetary analysis; reviewing field presence in member states and follow-up to partnerships; training coordination; monitoring of Field Office management in accordance with UNODC/MI/8; follow-up on thematic evaluations and integration of best practices and the formulation of Country Profiles. Also, these functions had to be performed by more experienced PMOs and Section Chiefs, under direct supervision of and guidance from the Chief of PDB. It added substantially to the workload of PMOs within the Regional Sections because they still had to perform the Project Cycle Management functions of the countries allocated to them within their regions. Furthermore, it was difficult to find quantifiable indicators to determine the workload and assess performance in these strategic functions.

23. As an alternative, OIOS suggested that PDB should consider separating the programme development, partnership and management support to Field Office functions from the Regional Sections' programme implementation and monitoring functions, still kept within PDB and without increasing resources. *PDB considered the separation of functions as suggested. However, new developments occurred since the audit. Indeed, Senior Management requested PDB to explore the possibility of decentralizing the Regional Sections. The Latin America and the Caribbean Section has been selected to carry out the exercise on a pilot basis.*

24. *Decentralization would further reduce the already stretched resources of PDB and thereby hamper a reorganization of the Branch as proposed by OIOS, which suggested that the reorganization should be done without increasing resources. Therefore, discussions with and decisions by Senior Management depend on the final decision on decentralization.*

OIOS concurs with this approach and the recommendation remains until informed of Senior Management's decision.

**Recommendation:**

- The UNODC, Partnership in Development Branch should consider separating the functions within the functional areas of programme development, partnership and management support to Field Offices from the Regional Sections, because they require expertise and competence and include responsibilities that are more closely related to PDB's managerial functions (Rec. 01).

OIOS will close the recommendation upon receipt of a copy of UNODC's Senior Management final decision, as UNODC has indicated in their above-mentioned comments.

**Responses from staff**

25. We analyzed information received from 23 staff in Regional Sections regarding their functions, responsibilities and, in general, the percentage of their time spent to carry out these functions, their qualifications, field experience, field missions undertaken, workplans and assessment of their performance. In particular, factors considered in analysing their functions were project formulation and monitoring, support to field offices, donor relations and reporting.

26. The Staff had a clear understanding of their functions and responsibilities which were in accordance with their workplans. They mentioned only a few criticisms. They felt that there were not enough field missions to monitor programme/project implementation and that their reporting responsibilities involved too much editing and streamlining of reports received from the Field Offices. Also, there was too little time available to keep abreast of country developments because of too much paper work in the project appraisal and approval cycle. They also suggested a delegation of approval for smaller projects.

27. Most of the above-mentioned concerns were raised during the Representatives' Seminar that was held in July 2005 and the actions to be taken, were recorded. They included the streamlining of the approval process of project documents and a review of the Programme and Project Committee mechanism. They also discussed training in project formulation to enhance the quality of Field Office submissions and further defining the workflow to ensure that Regional Sections are involved at an earlier stage during the formulation of programmes and projects. These actions should address most of the concerns and therefore, OIOS is not making any recommendation.

**D. Responsibilities and workload**

28. OIOS considered the number of countries in each of the geographical areas as a workload indicator in the functional area of project development. The number of projects and their multi-year budgets were workload indicators in project implementation and Project Cycle Management, while the number of Regional/Country Offices and the number of regular staff in the field, funded under the Support and Regular Budget (number of "core" staff), were indicators for support to Field Offices. Some indicators were reflected in more than one functional area. However, for simplicity, they were considered in the functional area where they added most to the workload.

**Table 2 – Distribution of responsibilities and workload**

SECTION	Number of countries	Number of Projects	Regional/Country Offices	Number of Core Staff	Multi year budget in million \$
EWCAS	30	50	6	33	108.6
AMES	66	52	5	32	36.1
SEAPS	37	47	5	34	68.5
LACS	36	57	6	37	167.1

29. The number of countries varied substantially between the Regional Sections and except for SEAPS (each PMO had three countries), also among the PMOs. Although there were reasons, such as the complexity of operations (for example Afghanistan required a full-time PMO) and the knowledge and experience of staff, there was no correlation between the number of countries and the responsibilities of a PMO in programme development

30. The total number of projects per Regional Section was similar. However, there were differences in the number of projects monitored by individual PMOs, except for AMES (in AMES, three PMOs managed 15 to 16 projects each). The average number of projects per PMO within Regional Sections was 14. Four PMOs monitored half or less than half the afore-mentioned average, while three PMOs monitored more than 20 projects each.

31. The total multi-year project budgets also differed substantially for the Regional Sections and individual PMOs. For PMOs, the average was \$25 million, with three PMOs below \$10 million and three PMOs above \$40 million. One PMO monitored 29 projects with multi-year project budgets of more than \$100 million.

32. The total number of Regional/Country Offices and the total number of regular and support budget staff were similar for each of the Regional Sections. There were no material differences between the individual PMOs' responsibilities.

33. Our conclusion was that, although the Regional Sections were aware of the differences in the project portfolios of PMOs, Project Cycle Management functions had to be performed within a given geographical area of responsibility (regional structure), which made certain differences in the number of countries and related project portfolios unavoidable. However, the actual outputs of PMOs indicated that some PMOs had to carry a substantial workload and it seemed worthwhile to review it. In the Project Cycle Management functions, the number of outputs per PMO related closely to the number of projects monitored by a PMO, making the number of projects a good workload indicator in this functional area.

34. The total number of Regional/Country Offices and the total number of "core" staff were good indicators for measuring responsibilities in support to Field Offices. There were no discrepancies in responsibilities.

35. Although the number of countries was probably not the best workload indicator in programme development, it could be used with other qualitative indicators, such as the complexity of the operations, to determine the workload within this functional area. More than 20 per cent of a PMO's total time, even more for the experienced ones, is spent on programme development and therefore, there was a need to have some quantifiable indicator(s).

**Recommendation:**

- The UNODC, Partnership in Development Branch should decide on

which quantifiable indicators to use in determining the workload of PMOs, at least for the Project Cycle Management functions, and if necessary, re-divide responsibilities if it would provide for a more even distribution (Rec. 02).

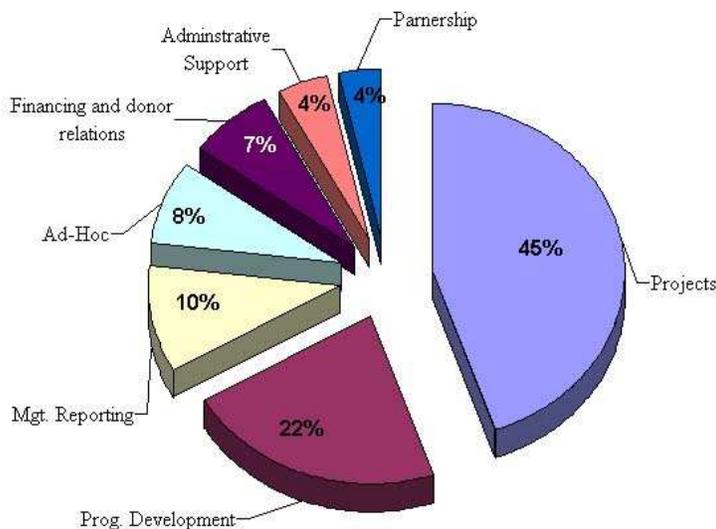
*PDB accepted the recommendation and undertook to develop the indicators by June 2006. However, the potential re-division of responsibilities will also hinge upon available resources and related decisions on decentralization. OIOS will record the recommendation as implemented when the indicators are determined.*

### **E. Actual delivery and time spent**

36. It was understandably difficult to match functions and responsibilities with actual outputs achieved and the time spent to produce the outputs because many functions are interrelated and it is difficult to quantify the outputs, especially those relating to programme development, partnership development and backstopping activities.

37. The Regional Sections recorded their time spent for one month, one in early 2005 and the others in mid 2005. Staff recorded their time spent on seventeen activities. We then compared the total time spent by a Section on each of the activities and found the time distribution to be very similar to the average of the Regional Sections.

38. Because we selected a particular month, there was a risk that the month of July may not be a representative snap shot of time spent within a year. Therefore, we asked the staff to provide a breakdown of the “normal time spent” throughout the year in percentage terms for the main activities. This exercise showed that the only material difference between the actual time recorded for the month of July and “normal time spent”, was that of the time spent in July on programme budget management which, normally, would be spent on regular project monitoring activities that include the monitoring of budgets. The analysis showed that two thirds of the total time is spent on project management (45%) and programme development (22%). The remaining third is spent on five different areas, management reporting, partnerships, administrative support to Field Offices, financing and donor relations and ad-hoc activities. The distribution of total time spent on these activities for all of the Regional Sections and the main quantifiable outputs delivered from January to August 2005 and/or volume indicator for projects and budgets that were managed were as follows:



#### **OUTPUTS**

##### **Projects**

- 150 project ideas/documents
- Monitoring of 200 projects
- 300 Project Progress Reports

##### **Programme Development**

- 31 Country profiles/Strategic programme Frameworks

##### **Mgt. Reporting**

- Expenditures reporting on 350 project segments
- 400 briefs
- 40 normative reports

##### **Administrative Support**

- 21 Field Offices with 136 “core” staff
- 32 new appointments

39. Although the percentages of total time spent on each of the functional areas represent the distribution of time spent by all staff across the Sections, our analysis of individual staff members indicated that the chart represents best the time spent by PMOs. Section Chiefs, for example, spent naturally more time on management reporting, partnerships and programme development. More experienced PMOs also spent more time on programme development.

#### Programme development

40. With the total number of 31 Country Profiles and Strategic Programme Frameworks, Regional Sections prepared seven to nine each. There are other outputs that also relate to programme development, such as the submissions to management on regional programmes and strategies, especially management briefs and regular submissions on programme statuses that, although reported as project implementing products, assist in programme development. Therefore, the completed Country Profiles and Strategic Programme Frameworks were not the only outputs to account for 20 per cent of the time spent, but they are “high level” documents that require expertise and knowledge of the operations. PDB staff, mostly the PMOs and HSB experts provided their inputs at a rather late stage in the process and it had been reported that they seldom participate in the drafting. In 2005, however, only one PMO was not involved in the completion of the documents, which substantiated the involvement of the Regional Sections in their completion. One PMO in EWCAS completed as many as five Country Profiles.

#### Programme implementation and project cycle management

41. Programme implementation and Project Cycle Management accounted for 45 per cent of total time spent within the Regional Sections. Some PMOs reported that they spent, in general, more than 50 per cent of their time on this functional area. The main products are the development of project ideas and documents and subsequent revisions that are submitted to the Programme and Projects Committee (PPC); management of budget allocations; monitoring of projects and review of Project Progress Reports. In 2005, Regional Sections submitted a total of 150 project ideas/documents, including revisions, to the PPC for approval. Representatives viewed the Regional Sections’ reviews and inputs to their submissions as one of the main contributions to their operations. The total number of documents submitted varied from 20 to 50 for the Regional Sections and an average number of 5 per staff in SEAPS, 8 in AMES, 11 in LACS and 13 in EWCAS. The distribution of workload was good in LACS and SEAPS, but not in EWCAS and AMES. In both the latter Regional Sections, the P-4 PMOs completed substantially more than the average for their sections; as much as double in the case of AMES. As for the quality of the submissions, the criterion was that of approval by the PPC which found the submissions to be timely and of good quality.

42. Regional Sections monitored more than 200 projects in 2005 with total multi-year budgets of \$380 million and 2004-2005 biennium budgets totaling \$140 million. The allocation for 2005 was \$60 million. For three of the Regional Sections, the total allocations monitored were similar (AMES: \$10 million; SEAPS: \$12 million; LACS: \$25 million), whereas EWCAS monitored as much as \$26 million. Nevertheless, we found budgetary management and control adequate for all the Regional Sections with the ProFI system providing up-to-date financial information for financial monitoring and decision-making purposes. The regular monitoring of financial and narrative project data by the Regional Sections became imperative to ensure that Management, Donors and Member States have access to accurate and complete information.

43. Although the number of projects was similar for the Regional Sections, the number of Project Progress Reports (one or two per project) reviewed by the Regional Sections did not tie-up with the number of projects that were monitored. [EWCAS: 50 projects - 68 reports; LACS: 57 projects - 53 reports; AMES: 52 projects - 92 reports and SEAPS: 47 projects - 99 reports]. EWCAS and LACS did not receive all required reports although the reporting requirements were already reduced from quarterly to semi-annual and annual reporting. The follow-up on outstanding reports should be strengthened and a monitoring system should be introduced to monitor the receipt and review thereof to ensure that these reports are received and reviewed in a timely manner. Ad hoc follow-up by the Regional Sections is time consuming and therefore, the system should be centralised within PDB to allow for systematic follow-up and action if reports are not received and/or reviewed in a timely manner. Considering the large number of projects and corresponding reports, Regional Sections need adequate time to properly review the reports and to provide their feedback. Late submissions hamper the review process because bottlenecks may occur. Representatives reported that the Sections reviewed the reports, that real value was added to the content and that consistency in presentation was achieved, but half of the respondents replied that systematic feedback was not always received

44. OIOS suggested that a centralized monitoring system should be introduced for Project Progress Reports, to monitor the timely receipt and review thereof. The system should allow for systematic follow-up of their submission, review, feedback and replies. *The recommendation was accepted and had been implemented. The centralized monitoring system was developed in August 2005 and launched in the framework of the ProFi system. Training was provided to Programme Managers in December 2005. Follow up on submissions; their reviews, feedback and replies are embedded in the application.*

45. Technical monitoring was mainly limited to desk reviews with a limited number of field visits undertaken by PMOs. The responses from staff indicated that most missions undertaken were for purposes other than regular monitoring visits, such as meeting and/or events. Most Representatives indicated that it was very important that PMOs visit their operations on a regular basis. *PDB recognized the need for more field missions, but the number of field missions depends largely on the travel budget.*

#### Performance in relation to field offices

46. Responses from Field Office representatives on the Regional Sections' performance were positive, except their responses on the distribution of authority and responsibilities between Headquarters and Field Offices and advice on how to implement initiatives in the field. Almost all Representatives considered the Regional Section functions as essential for effective field operations or at least important because it adds real value. The responses also indicated communication was very frequent or sufficient and that the relationships were good/excellent (90 per cent of the respondents).

47. With regard to backstopping Field Office activities, 80 per cent of the responding Representatives valued the coordination and liaison function of the Regional Sections. The remaining 20 per cent of the respondents viewed the Regional Sections as a knowledge and resource centre for specific issues at Headquarters that the field itself cannot easily or logistically deal with. They were satisfied that their requests were always or mostly handled in a timely and competent manner and that the responses to their requests were very useful and tangible or at least acceptable.

48. Almost all of the Representatives reported that the Sections inform them of initiatives, but half of them felt that Headquarters does not always give advice on how to follow up on or how to implement the initiatives in the field. Considering that half of the

Representatives responded as such, the Division for Operations should discuss the matter with the Representatives. This step should be adequate and therefore, no recommendation is made.

#### Support to field offices – human resource management

49. Regional Offices had similar workloads in Human Resource Management, taken the number of “core” staff within the Field Offices as indicator (AMES - 32; EWCAS - 33; SEAPS - 34 and LACS - 37). Also, and in 2005, the Regional Offices assisted Field Offices in 32 new appointments. This accounted for 4 per cent of total time spent, which is reasonable.

#### Management reporting, donor relations and partnerships

50. OIOS found management reporting by the Regional Sections to be comprehensive and was impressed by the number of reports and briefs that were delivered in 2005 and the limited time, 14 per cent of total time, generally spent to achieve these outputs. There were periodic and regular management expenditure reporting in respect of more than 350 project segments, some 400 briefs and/or letters to management and some 40 normative reports to governing bodies and/or donors. These outputs are interrelated with financing, partnership development and donor relations and fully accounts for the time recorded as being spent.

#### Performance in relation to planning

51. Regional Sections planned their work in documented workplans and reported their achievements in performance reports. The expected results and performance indicators were documented, but a review of the workplans, monitoring tools and performance reports indicated that measurable outputs could have been better quantified, standardized and monitored. In general, we found that the monitoring and reporting tools’ narrative descriptions of achievements added to the already extensive paper workload and were not tools that were automatically updated at the completion of a quantifiable output. A good monitoring table was found for PPC submissions. PDB should determine more measurable outputs and develop monitoring tools, which should allow for an automatic update at the completion of tasks, to monitor delivery. A number of these quantifiable outputs were already discussed during the presentation of EWCAS on PDB’s services, its products and workflows.

52. The monitoring of these indicators should, however, not be time-consuming and should add value in that they should be relevant to determine responsibilities and assess performance.

#### **Recommendation:**

- The UNODC, Partnership in Development Branch should determine which quantifiable outputs/deliverables should be monitored for planning and performance purposes (Rec. 03).

*The recommendation as above was accepted. Estimated target date for implementation is June 2006. However, OIOS’ previous suggestion to develop “tools that automatically monitor delivery” did not seem realistic in terms of resources (design, setting up and maintenance of tools, training of staff) in the current financial context of the Organization. OIOS accepts the explanation and will record the recommendation above once the quantifiable outputs/deliverables are determined.*

## V. FURTHER ACTIONS REQUIRED ON RECOMMENDATIONS

53. OIOS monitors the implementation of its audit recommendations for reporting to the Secretary-General and to the General Assembly. The responses received on the audit recommendations contained in the draft report have been recorded in our recommendations database. In order to record full implementation, the actions described in the following table are required:

<b>Rec. no.</b>	<b>Action/document required to close the recommendation</b>
1	Copy of UNODC's Senior Management final decision.
2*	Copy of PDB's workload indicators.
3*	Copy of PDB's quantifiable outputs/deliverables to measure outputs.

\* Critical recommendations

## VI. ACKNOWLEDGEMENT

54. I wish to express my appreciation for the assistance and cooperation extended to the auditors by the management and staff of PDB.

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and Officer-in-Charge, Internal Audit Division II  
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