INTERNAL AUDIT DIVISION

AUDIT REPORT

Office for Disarmament Affairs' management of regional centres

Diminished core funding and decentralized approach to resource mobilization adversely affected the regional centres’ programmes

3 March 2010
Assignment No. AN2009/530/01
TO: Mr. Sergio de Queiroz Duarte, High Representative for Disarmament Affairs
   Office for Disarmament Affairs

DATE: 3 March 2010

FROM: Fatoumata Ndiaye, Director
       Internal Audit Division, OIOS

SUBJECT: Assignment No. AN2009/530/01 - Audit of the Office for Disarmament Affairs' management of regional centres

DATE: 3 March 2010

SUBJECT: Assignment No. AN2009/530/01 - Audit of the Office for Disarmament Affairs' management of regional centres

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 14 and 16-18 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 2 and 7, and only partially accepted recommendation 10. In OIOS' opinion, however, these recommendations seek to address significant risk areas. We are therefore reiterating them and requesting 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 high risk (i.e., recommendations 1 and 15) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Ms. H. Hoppe, Director, ODA
    Ms. A. Marcaillou, Chief, RDB, ODA
    Mr. J. Ennis, Executive Officer, ODA
    Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
    Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit
    Mr. Moses Bamuwamye, Chief, Oversight Support Unit, Department of Management
    Mr. Byung-Kun Min, Special Assistant to the USG, OIOS
    Mr. William Petersen, Chief, New York Audit Service, OIOS
INTERNAL AUDIT DIVISION

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).

CONTACT INFORMATION

DIRECTOR:
Fatoumata Ndiaye: Tel: +1.212.963.5648, Fax: +1.212.963.3388,
e-mail: ndiaye@un.org

ACTING DEPUTY DIRECTOR:
Gurpur Kumar: Tel: +1.212.963.5920, Fax: +1.212.963.3388,
e-mail: kumarg@un.org

CHIEF, NEW YORK AUDIT SERVICE:
William Petersen: Tel: +1.212.963.9705, Fax: +1.212.963.3388,
e-mail: petersenw@un.org
EXECUTIVE SUMMARY
Audit of the Office for Disarmament Affairs' management of regional centres

OIOS conducted an audit of the Office for Disarmament Affairs' (ODA) management of regional centres. The overall objective of the audit was to assess: (i) the adequacy and effectiveness of programme management in ODA's regional centres in achieving their mandates and implementing the programme of work through economical, efficient and effective use of resources; (ii) compliance with UN regulations and rules; and (iii) the adequacy and effectiveness of internal controls over governance, financial, administrative and human resources management. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

Despite the various successes, ODA’s regional disarmament efforts have mainly been ad hoc and largely dependent on the interests of donors and temporary personnel to carry out its regional programme. In OIOS’ opinion, the regional actions required to address specific disarmament needs have been limited due to decentralized and fragmented resource mobilization for the centres. Also, a lack of adequate resources has adversely affected the regional centres' programme, with the Africa Centre almost closing its operations in 2004. In 2006 and 2007, 26 per cent (20 of the 76) of the regional centres' programmed outputs were cancelled due to funding shortages.

There was also limited collaboration and coordination between the Regional Disarmament Branch (RDB) and the regional centres, and the Weapons of Mass Destruction (WMD) and the Conventional Arms Branch (CAB) of ODA. In addition to these challenges, the audit identified the following operational issues:

- Changes to the regional centres' work plans were not approved prior to implementation and the centres' discretionary projects and outputs were not clearly linked to the RDB programme of work;
- The allocation of budgetary resources was disproportionate between the substantive and administrative functions. As a result, there were insufficient suitably qualified personnel to implement the programme of work at the United Nations Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean in Lima, Peru (UN-LiREC);
- The project implementation process was not fully documented. Consequently, UN-LiREC did not report to the donors on time; and
- There were weaknesses in internal controls over the management and use of the trust funds. Written policies and procedures were inadequate to ensure the regional centres' compliance with applicable UN regulations and rules for financial management, procurement, and human resources management.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Paragraphs</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. INTRODUCTION</td>
<td>1 – 4</td>
</tr>
<tr>
<td>II. AUDIT OBJECTIVES</td>
<td>5</td>
</tr>
<tr>
<td>III. AUDIT SCOPE AND METHODOLOGY</td>
<td>6</td>
</tr>
<tr>
<td>IV. AUDIT FINDINGS AND RECOMMENDATIONS</td>
<td></td>
</tr>
<tr>
<td>A. Governance and programme management</td>
<td>7 – 37</td>
</tr>
<tr>
<td>B. Financial management and administrative controls</td>
<td>38 – 54</td>
</tr>
<tr>
<td>V. ACKNOWLEDGEMENT</td>
<td>55</td>
</tr>
<tr>
<td>ANNEX 1 – Status of Audit Recommendations</td>
<td></td>
</tr>
</tbody>
</table>
1. The Office of Internal Oversight Services (OIOS) conducted an audit of the Office for Disarmament Affairs' (ODA) management of regional centres. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. ODA was established pursuant to General Assembly resolution 61/257 of 15 March 2007. ODA assists Member States in promoting, strengthening, and consolidating multilaterally negotiated principles and norms in all areas of disarmament and non-proliferation in all its aspects in order to help maintain international peace and security and contribute to global efforts against terrorism. ODA’s programme of work is organized into five sub-programmes. Operationally, the Regional Disarmament Branch (RDB) carries out the responsibilities for sub-programme 5. RDB comprises the Regional Activities Unit (RAU), which is hosted in New York, and three regional centres. The Branch is headed by a Chief at the D-1 level, who is accountable to the Director and the Deputy of the High Representative for Disarmament Affairs. The regional centres are each led by a Director at the P-5 level, who is accountable to the Chief of RDB. The centres comprise the following:

(i) The UN Regional Centre for Peace and Disarmament in Africa (UNREC) in Lomé, Togo;
(ii) The UN Regional Centre for Peace and Disarmament in Asia and the Pacific (RCPD) in Kathmandu, Nepal; and
(iii) The UN Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean (UN-LiREC) in Lima, Peru.

3. Table 1 and Table 2 present selected RDB budgetary and personnel data, respectively, for 2006-2009:

<table>
<thead>
<tr>
<th>Table 1: Selected RDB Budgetary Data: 2006-2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget Data - By Source</strong></td>
</tr>
<tr>
<td><strong>2006-2007</strong></td>
</tr>
<tr>
<td><strong>2008-2009</strong></td>
</tr>
<tr>
<td>Regular Budget (RB)</td>
</tr>
<tr>
<td>Extrabudgetary (XB)- By Centre</td>
</tr>
<tr>
<td>UNREC, Africa</td>
</tr>
<tr>
<td>RCPD, Asia and the Pacific</td>
</tr>
<tr>
<td>UN-LiREC, Latin America and the Caribbean</td>
</tr>
<tr>
<td>Sub-total extrabudgetary budget</td>
</tr>
<tr>
<td>Total RB and XB budget resources</td>
</tr>
</tbody>
</table>

Table 2: RDB Personnel Data: 2009

<table>
<thead>
<tr>
<th>Office</th>
<th>RB</th>
<th>XB</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Activities Unit, NY</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>UNREC, Africa</td>
<td>4</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>RCPD, Asia and the Pacific</td>
<td>1</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>UN-LiREC, Latin America and the Caribbean</td>
<td>1</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td><strong>Total staffing resources</strong></td>
<td>11</td>
<td>35</td>
<td>46</td>
</tr>
</tbody>
</table>

Source: RDB Organigramme: 2009

4. Comments made by ODA are shown in *italics*.

II. AUDIT OBJECTIVES

5. The main objective of the audit was to assess:

(a) The adequacy and effectiveness of programme management in ODA’s regional centres in achieving their mandates and implementing the programme of work through the economical, efficient and effective use of resources;
(b) Compliance with UN regulations and rules; and
(c) The adequacy and effectiveness of internal controls over governance, financial, and administrative and human resources management.

III. AUDIT SCOPE AND METHODOLOGY

6. The audit covered the period from 2006 to 2009 and was conducted through interviews, surveys, review of documentation, and tests of controls at RDB in New York and UN-LiREC in Lima, Peru. The audit also covered, on a limited basis, operations at UNREC in Lomé, Togo, and RCPD in Kathmandu, Nepal.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Governance and programme management

Institutional arrangements did not sufficiently support the effective functioning of the regional centres.

7. The regional centres were established in 1986 and 1987 by General Assembly resolutions A/40/151G (UNREC), A/42/39D (UNRCPD), and A/41/60J (UNLiREC). The mandate of the centres is to provide, upon request, substantive support for the initiatives and other activities mutually agreed upon by the Member States of the respective regions for the implementation of measures for peace, disarmament and economic and social development, through the appropriate utilization of available resources. Programme support funding for the centres is derived, in part, from the regular budget and voluntary...
contributions, while funding of the centres’ programmes is derived entirely from voluntary contributions as per the mandate established by the General Assembly for the centres.

8. In its report entitled “Study on all aspects of regional disarmament report of the Secretary-General”, dated 8 October 1980, the Group of Governmental Experts, a group of experts appointed by the Secretary-General, advocated the regional approach to disarmament as an important tool to promote and enhance international efforts towards global disarmament and international peace and security. The regional centres, in accordance with their mandates, carry out various activities to support RDB’s core functions, including the promotion, facilitation and strengthening of regional cooperation among Member States and regional and sub-regional organizations, and the facilitation of the coordination of efforts in matters related to confidence-building measures, disarmament, peace and security.

9. Since they were first mandated by the General Assembly more than 20 years ago, the regional centres have implemented practical measures to support international treaties and conventions endorsed by the Member States. These initiatives included: providing technical support for the Programme of Action (PoA) to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects and for the UN Register of Conventional Arms; capacity building aimed at law enforcement officials in the mitigation of illicit arms trade; and the promotion of national instruments to support legislation for the various international disarmament conventions and treaties. The regional centres have also been successful in establishing partnerships with regional disarmament actors, conducting 31 joint disarmament projects during 2006-2009.

10. Despite the various successes, ODA’s regional efforts in the area of disarmament have mainly been ad hoc and largely dependent on the interests of donors and temporary personnel to carry out its regional programme. The 2006-2007 budget, for example, shows that approximately 69 per cent of the regional programme’s funding was derived from voluntary contributions and other extrabudgetary sources. Of the 11 regular budget posts dedicated to the regional centres’ programme, five were placed in New York. In UN-LiREC and RCPD, only the post of the Director was funded from the regular budget. The remaining core posts for the centres were dependent upon extrabudgetary funding.

Decentralized approach to fundraising

11. Programme development for the centres, which is demand-driven, relies on successful fundraising as stipulated in the relevant General Assembly resolutions. OIOS assessed the effectiveness of the regional centres’ fundraising efforts, which indicated several risks to programme sustainability. For example, during 2006-2008, the centres had raised a total of $7.5 million in extrabudgetary funding. Of this amount, $5.5 million or 73 per cent had been raised by UN-LiREC, while only about $2 million or 27 per cent had been raised by UNREC and RCPD. The concentration of contributions in one centre gave rise to the risk of a disproportionate implementation of the regional programme. A second risk arose when extrabudgetary funds could not be secured and the centres were
unable to implement 100 per cent of their programmes. For example, in 2006-2007, 26 per cent (20 of the 76) of the total programmed outputs were cancelled due to funding shortages and lack of support of the donor community.

12. In a third instance, the dependence on voluntary contributions had nearly caused the closure of UNREC in 2004. The near closure had been due to a lack of adequate funding and donor support, including the non-payment of contributions toward the centre’s operational costs by the host country. The General Assembly subsequently approved a subvention in the UN regular budget to cover the costs of four regular budget posts, including the Director’s post, which averted the closing of the centre. Despite the subvention, and subsequent contribution in excess of $200,000 by the Government of Togo, there was still a shortfall in the centre’s funding to cover projects and operating expenditures in 2008.

13. While the RDB Director supported the centres in their fundraising efforts, the Directors of the centres bore the main fundraising responsibilities. This resulted in a decentralized and fragmented approach to securing extrabudgetary funds for the regional programme that has had serious consequences for the regional centres’ programmes. Consequently, the lack of stable resources for operational costs only further weakened the viability of the ODA regional programme. In 2009, ODA attempted to fill this gap by publishing the “ePortfolio of Fundraising Initiatives”, its fundraising tool, on the ODA website. However, as of the date of the audit, only one, or four per cent, of the 25 projects that had requested resources had been fully funded and nine, or 36 per cent, others had received partial funding. The total funding secured in the fundraising campaign represented only 22.6 per cent of the requested funding by ODA; however, none of the secured resources was available for the regional centres’ projects. ODA’s regional programme, therefore, was exposed to severe underfunding risks.

**Diminished core funding adversely affected the regional centres’ operations**

14. Another potential impediment to the centres was the difficulty they faced in obtaining core support for their operations due to the financial structuring of the offices, as mandated by the founding General Assembly resolution. Operational costs include expenditures for rent, utilities, office supplies, repairs and maintenance, and other operating expenses. Although the centres have been able to obtain some core funding, the number of donors supporting their operational costs was limited and amounts have been diminishing in recent years, as donors continue to be mainly interested in supporting project-related activities. For example, UN-LiREC relies on core funding from only three donors. This significant reliance has led to difficulties in funding core posts such as the posts of the Deputy Director and the Finance Assistant. In 2006-2008, this risk was evidenced by a gap in the core funding to fund the centre’s personnel costs. Further, of the total available core funding, 13 per cent was allocated to UN programme support costs and about three to five per cent to service costs charged by the United Nations Development Programme (UNDP) for financial services and administrative support. As required by the UN Financial Regulations and
Rules, the mandatory 15 per cent operating reserve was also allocated from the overall trust fund reserves.

15. The centres are also required to allocate from voluntary contributions a portion of the costs for mandatory UN requirements for all field offices, such as security and pandemic preparedness. During 2006-2009, these costs amounted to $165,360, of which 36 per cent was covered from extrabudgetary resources. Extensive reliance on voluntary contributions for core functions, therefore, presents an operational risk to the centres’ viability. To address this risk, the ODA management, in its budget proposal for 2010-2011, submitted requests for three regular budget posts to strengthen UN-LiREC and RCPD. In OIOS’ opinion, however, there is a need for ODA to conduct a more comprehensive review to assess the operational and security costs for the centres with a view to securing the requisite funding from the UN regular budget.

Budget allocations for monitoring missions were limited

16. OIOS noted that the RDB Chief had conducted monitoring missions to UNREC in 2007 and RCPD in 2008, to review their activities. The RDB Chief also conducted a monitoring mission to UN-LiREC in 2006. In addition, the ODA Executive Office (ODA-EO) conducted missions to assess compliance with UN regulations and rules and provide administrative support to UN-LiREC and UNREC to review the centres’ discharge of their financial and administrative duties. In UN-LiREC, the ODA-EO made several recommendations to improve internal controls over the financial management and administrative functions. Despite the various benefits derived from the monitoring missions by RDB and the ODA-EO, however, OIOS noted that these missions were not systematic undertakings, but, rather were conducted on an “as and when needed” basis. According to the ODA management, the travel budget was limited, and, therefore, periodic missions had not been possible. In OIOS’ view, it is crucial that funding for monitoring missions to oversee the programmes is allocated in the regular budget.

Lack of a singular, cohesive programme of work for the regional centres

17. The ODA vision, strategy, and expected accomplishments for the regional centres relative to its programme of work are not clear. ODA’s programme of work is supported by a lateral structure, with each of the five branches reporting to the High Representative through the Director of ODA. WMD and CAB are primarily responsible for carrying out the disarmament mandate at the policy level, while RDB is primarily responsible for implementing practical measures at the regional and sub-regional levels. Effective cooperation and collaboration between RDB and the substantive branches of WMD and CAB, therefore, is paramount to the proper alignment of the global and regional approaches to disarmament. It is expected, therefore, that the branches coordinate their work plans, collaborating on activities to the fullest extent possible to implement the overall ODA programme of work. However, in 2006 and 2008, RDB’s coordination with the branches resulted in only five joint activities with CAB and participation in one WMD activity. Coordination had
also been contingent upon the ability of the branches to raise funds for joint activities.

18. The 2006-2007 the ODA work plan identified its key priorities as (a) supporting the implementation and review of multilateral agreements, treaties, arrangements, instruments, strategies and mechanisms with respect to 11 internationally agreed goals; (b) facilitating multilateral negotiations and deliberations in five main areas; and (c) outreach, training and information. To support these priorities, ODA established 17 objectives of which only three were specific to the regional centres. A review of the individual WMD, CAB and RDB work plans, however, indicated little evidence of this coordination. In addition, the projects planned for 2009 showed a similar lack of coordination between WMD and CAB and the regional centres. For example, in 2009, ODA conducted fundraising efforts for various regional projects to be implemented by WMD, CAB, and RDB through the regional centres. However, OIOS noted that although the WMD and CAB projects were to be conducted in the regions hosted by the regional centres, there was no plan to include the regional centres in their implementation.

19. At the regional level, the regional centres’ programme lacked a comprehensive vision for regional disarmament. Although UN-LiREC had prepared a three-year Strategic Framework, the other centres had not prepared similar long-range plans for their programmes of work. Additionally, regional centres’ programmes had not been adequately measured in terms of the value and impact they contributed to ODA’s overall programme of work. In OIOS’ view, ODA’s approach to the regional centres’ programme was from a “bottom-up” and “top-down” perspective only. Further, this perspective and value-added regional actions required to address specific disarmament needs had been limited due to a lack of a clear vision and strategy for the centres within the overall ODA programme of work, as well as the fragmented and decentralized resource mobilization for the centres. The programmes, therefore, were mainly carried out on an autonomous basis and were mostly dictated by the individual fundraising efforts of the branches, which were insufficient to bring together a singular, coherent and cohesive programme.

**Recommendation 1**

1) The ODA Management should conduct a comprehensive review of the impact of the regional centres’ programmes with particular emphasis on the risks of significant reliance on voluntary contributions. The result of the review should be reported to the General Assembly for consideration in the context of the mandates for the regional centres’ programmes.

20. The ODA Management accepted recommendation 1, stating that, in principle, ODA agrees that a comprehensive review of the centres’ work activities has merit. However, ODA stressed that the General Assembly mandates specifically state that all programme activities of the centres are to be funded from voluntary contributions. Nevertheless, Member States in recent
years have come to realize that the centres’ total reliance on voluntary financial and in-kind contributions for operation and programmatic activities has a negative impact on the consistency and effectiveness of the centres’ work. Working together with ODA, Member States have taken and are taking actions to strengthen the centres’ capacity to carry out more effectively their mandates. In 2007, the General Assembly decided to allocate resources from the regular budget for three (1 Professional and 2 GS staff) posts, as well as part of the operating costs of UNREC for the 2008/2009 biennium. It is very likely that this year (2009) the General Assembly will approve ODA’s request for two posts for UN-LiREC and RCPD together with part of their operating costs for the biennium 2010-2011. ODA believes that the appropriate course of action is to continue to work with Member States for financing core posts and core operations through the regular budget with the distinction that disarmament projects are to be funded from voluntary contributions. Recommendation 1 remains open pending ODA’s review of resources allocated to the centres and reporting to the General Assembly of the results of the review.

Financial information was not routinely disseminated to RDB

21. The RDB Chief is responsible for overseeing the administration of the ODA trust funds related to the work of the regional centres and regional disarmament activities. RDB reviews and submits the budget requests of the centres to the ODA-EO for approval. However, copies of the allotments and the financial authorizations issued by the ODA-EO for the extrabudgetary funding were not being routinely shared with RDB, but, rather with the centres. RDB, therefore, could not verify if the budget requests were being matched or that the expenditures were being made against the approved budget requests. In OIOS’ view, the lack of the RDB Chief’s access to complete financial information related to the centres’ activities lessened her ability to be accountable for the trust funds.

Recommendation 2

(2) The ODA Executive Office should provide the Regional Disarmament Branch Chief with complete financial information, including copies of allotments and financial authorizations for the regional centres.

22. The ODA Management did not accept recommendation 2 and stated that the Executive Office does not share copies of allotments with any of the branches since the allotments are an exact reflection of the requests received. In contrast, copies of the financial authorizations for extrabudgetary funding were shared in all cases with RDB, the centres and UNDP. Hence, this recommendation is inaccurate. OIOS acknowledges ODA’s response, but emphasizes that as RDB is a sub-programme, allotments and staffing table authorizations are issued at that level and, therefore, the Executive Office must provide these allotments to the sub-programme. OIOS reiterates the importance of providing the allotments to the RDB in order to maintain the integrity of controls over accountability for funds allotted to the centre. Furthermore, with respect to the provision of financial authorizations to RDB, ODA clarified that the Executive Office began
providing copies of the financial authorizations to RDB after the audit, starting in late 2009. Recommendation 2 remains open pending confirmation by ODA that copies of the allotments are provided to RDB as an established management practice.

Inadequate monitoring of the centres’ activities against established work plans

23. The centres do not track projects by cost or against the approved project budgets. Therefore, OIOS could not verify whether project line item expenditures were in accordance with the approved project proposals included in the donor agreements. Further, RDB did not require the centres to submit estimated cost plans for each project. There was also no requirement for the centres to report to RDB and the ODA-EO on the substantive and financial implementation of the projects on a project-by-project basis. For effective monitoring, there is a need for RDB to (a) align the reporting periods with the period covering the work plan and cost plan and (b) ensure that individual project budgets are prepared and expenditures are monitored on a project-by-project basis.

Recommendation 3

(3) The ODA Management should require the regional centres to prepare individual project budgets and monitor expenditures on a project-by-project basis.

24. The ODA Management did not accept recommendation 3 and stated that it did not understand this recommendation. A review of the UN Integrated Management Information System (IMIS) financial report will indicate that all the allotments/budgets of the three regional centres are currently presented. Cost plans are elaborated for each project, and the centres’ reporting ensures transparency and accountability. OIOS notes ODA’s response; however, during the audit, OIOS did not find satisfactory evidence that detailed cost plans were being prepared and approved for each project. Instead, only total estimated costs had been presented for approval in the project proposals. Recommendation 3 remains open pending submission by the regional centres of detailed cost plans for each project for monitoring by ODA.

Changes to work plans not approved in advance of implementation

25. Due to the unpredictable nature of funding, the centres face difficulties in implementing their activities as set out in the work plans. It is therefore necessary for them to constantly adjust planned activities within available resources. Prior to implementing substitute projects, the centres are required to first obtain approval from RDB. However, a review of changes made to the UN-LiREC work plan in 2006-2007 revealed that there was no documentation supporting the prior approval of the 52 discretionary projects and activities that had been implemented as a result of changes in the work plan. Further, the projects and activities had not been supported by project proposals, outlining the related objectives and expected accomplishments in line with the RDB work plan.
Recommendation 4

(4) The ODA Management should ensure that all changes to the regional centres’ work plans are approved by the Regional Disarmament Branch prior to their implementation.

26. The ODA Management accepted recommendation 4. Recommendation 4 remains open pending submission of evidence of approval of work plans prior to their implementation.

Discretionary activities and outputs were not clearly linked to the programme of work

27. In 2006-2007, a total of 53 discretionary activities and outputs, mainly comprising courses, workshops, pamphlets, information sheets, booklets, manuals, posters and banners, videos, DVDs, radio and television advertisements, and training kits had been implemented by UN-LiREC and UNREC. Although their themes were generally related to disarmament, it was not clear to OIOS who the target audience was for the materials or what contribution they had made to the programme. For example, UN-LiREC had produced videos on the activities of the Peruvian UN Women’s Guild (UNWG), a second on the “2006 Parade to Celebrate Peru: A Different 28 July”, and a third video, “DDA Teambuilding Retreat”, which was annotated for “internal Department of Disarmament Affairs (DDA) use only”. Although the radio and television spots proclaimed a goal of raising awareness for the need to register firearms, ammunition and explosives, it was not clear who the target of this message was. The total cost of the posters, videos, and radio and television ads were estimated at $253,862, including external printing and staffing costs for hiring the audio/visual personnel. This amounted to about 5.8 per cent of the total contributions raised for the same period. The lack of coherence in the UN-LiREC programme had also been highlighted in an external evaluation conducted in 2007 by the Swedish International Development Agency (SIDA), the centre’s main donor.

28. According to RDB, the centres implement the proposed projects on the basis that they are able to procure funding. In the case of UN-LiREC, the Director of the centre had informed RDB that he had been able to secure the funding for the substitute outputs. However, since this assertion had not been supported by a donor agreement or individual project monitoring by RDB, OIOS was unable to verify the donor funding source for the outputs and the related reporting requirements. It is OIOS’ view that for all substitute activities and outputs, there should be a clear linkage to the RDB programme of work with the target audience identified and the expected accomplishments outlined.
Recommendation 5

(5) The ODA Management should ensure that the discretionary activities and outputs of the regional centres are clearly linked to the Regional Disarmament Branch programme of work, with the target audience identified and the expected accomplishments outlined.

29. The ODA Management accepted recommendation 5 and stated that RDB’s workplan is elaborated in accordance with ODA’s workplan and priorities. In addition, to date, it has incorporated the workplans of the three centres. Notwithstanding that the centres’ projects are client-driven and donor-funded, RDB will ensure that centres annual workplans follow strictly the data contained in biennium programme budget related documents and monitoring tools. Recommendation 5 remains open pending receipt of the work plans in line with the biennium programme budget-related documents and monitoring tools.

Delayed recruitment against vacant posts adversely affected proper documentation and transparency in the project implementation

30. In order for the regional centres to operate at maximum efficiency and effectiveness, they need to be supported by sufficient expertise and qualified staff to implement the programme of work. Project implementation should also be fully documented to ensure transparency and accountability. During 2008 to 2009, the implementation of the UN-LiREC programme was delayed and disrupted due to the lack of adequately qualified programme officers resulting from delays in filling vacant posts. For example, due to a human resources issue, which was beyond UN-LiREC’s control, there was no Public Security Programme Coordinator recruited between September 2008 and June 2009. There was also a delay in the recruitment against other authorized posts for Programme Coordinators budgeted in the 2008 and 2009 cost plans. The delayed recruitments had a two-fold impact on the project. Firstly, the Director carried out the work plan until the new Programme Coordinator could assume his official duties, which was eight months after the post had been vacated. In addition, due to a shortage of project staff, the Director assigned the administrative staff, including the Special Assistant to the Director and the External Relations Officer, along with the Deputy Director, to assist in drafting project proposals. The administrative staff, however, did not have the requisite technical expertise and qualifications suitable to programme planning and implementation. Secondly, when the Director took sick leave in April 2009, the Deputy Director, although she was the Officer-in-Charge, was unable to adequately account to the donors on the programme activities led by the Director due to insufficient project documentation. While both the delay in the recruitment of the Project Coordinator and the absence of the Director due to medical reasons were beyond UN-LiREC’s control, the lack of adequate documentation and transparency of the project implementation led to the untimely reporting of UN-LiREC to the donors.
Recommendation 6

(6) The ODA Management should ensure that the Administration of the United Nations Centre for Peace Disarmament and Development in Latin America and the Caribbean maintains complete documentation for all of its projects in order to ensure transparency and accountability for the proper use of donor funds.

31. The ODA Management accepted recommendation 6 and stated that ODA’s instructions of mid-2008 to UN-LiREC to put in place new measures to ensure complete and proper documentation of all projects were implemented in 2009. Since then, UN-LiREC has included logical frameworks in all of its projects, thus facilitating the tracking of outputs and results. Internal procedures were set up to facilitate the exchange of information which promotes transparency and accountability. Recommendation 6 remains open pending submission of evidence that the new procedure to maintain documentation for all projects has been implemented.

Disproportionate allocation of budgetary resources at UN-LiREC

32. OIOS reviewed the budgetary allocations of the UN-LiREC trust fund to determine their adequacy in supporting operations and rationalizing the use of resources. An analysis of actual expenditures in 2006-2008 indicated that, on average, about 62 per cent of the centre’s income had been allocated to cover supporting functions, while only 38 per cent had been allocated to cover the substantive work of UN-LiREC. OIOS noted that the Director of the centre had used the resources to fill posts, such as the posts supporting audio/visual activities and the receptionist, which were not crucial to the fulfillment of the programme’s work plan. Due to the limited contributions raised by the centre to implement its programme, however, there is a need to ensure that resource allocations are adequately rationalized and the cost-benefit to the programme justified.

Recommendation 7

(7) The ODA Management should review the distribution of the resources between the substantive and administrative functions of the United Nations Centre for Peace Disarmament and Development in Latin America and the Caribbean with a view to filling posts that are critical to the effective functioning of the centre.

33. The ODA Management did not accept recommendation 7 and stated that while ODA believes that there needs to be an appropriate distribution of resources of the administrative and substantive functions of not only UN-LiREC but all three centres, it disagrees with this assessment of the posts named as not being integral to the substantive operation of the centre with the exception of the post of the receptionist. In addition, UN-LiREC complies with all contribution agreements approved and accepted by donors, which specify the proportion to be
allocated to salaries and activities. Due to limited financial resources, UN-LiREC endeavors to hire multi-skilled staff that are able to perform various functions. As stated earlier, ODA is working with Member States to increase the number of professional and local staff through the regular budget. Nonetheless, the centre has to work with the financial resources made available to it. OIOS is of the view that notwithstanding the specific posts mentioned by ODA in its justification, there is a need for ODA to address the imbalance between the administrative and substantive functions with a view to rationalizing the posts toward the achievement of the centres’ mandates. Recommendation 7 remains open pending receipt of the approved 2010 centres’ cost plans and staffing tables.

Development of tracking database at UN-LiREC was ad hoc and not approved in advance by RDB

34. UN-LiREC allocated $70,700 to develop the centre’s Field Operations Management Application (FOMA), a web-based information management database created to help manage its day-to-day informational needs. FOMA stores information related to projects, donor contributions, procurement actions and personnel. However, although the database was created to provide reliable and timely information to the UN-LiREC decision-makers, only four of the six main modules in the database were effective. An underlying problem was that the development of the database had mainly been ad hoc and had not been adequately supported by technical specifications. Further, there was no documentary evidence that the database’s development had ever been approved by RDB. While there is merit in having an efficient information management database for the centre’s information, this issue could more effectively be taken up by RDB with a view to developing a common database that could be replicated at each of the centres.

Recommendation 8

(8) The ODA Regional Disarmament Branch should explore the possibility of creating a common information management database that could be replicated at all three centres.

35. The ODA Management accepted recommendation 8 and stated that although RDB does not possess the required IT competencies necessary to develop such a database, RDB and the centres will continue to work with the existing Secretariat-wide systems. Recommendation 8 remains open pending submission of evidence of ODA’s consideration to develop the common information management database.

Lack of adequate project planning tools, templates or uniform logical framework hindered effective and timely monitoring

36. Although the centres submitted project proposals for the projects included in the work plans, the projects had not been supported by detailed project planning documents, outlining the objectives, expected accomplishments and outputs, project costs, staff assigned, implementation timelines, cooperating
partners, or the targeted beneficiaries. Starting in 2008, UN-LiREC implemented a logical project planning framework to justify and report on the progress and status of project implementation for the centre’s 38 projects. However, the supporting project documents were not standardized and did not contain the same types of information from one project document to the next. According to UN-LiREC, the project documents had been tailored to the donors’ requests, which had different requirements. UNREC and RCPD also did not use uniform project planning tools. The projects being implemented by the centres, therefore, had various designs and approaches, and did not ensure that the objectives of the RDB work plan were met. There is a need for RDB to implement a logical project planning framework in order to standardize project design and methodology.

**Recommendation 9**

(9) The ODA Regional Disarmament Branch should implement a uniform logical framework for all of the regional centres to ensure consistency in project planning.

37. The ODA Management accepted recommendation 9 and stated that the RDB project portfolio already uses such logical framework and template. In addition, when submitted to individual donors for possible funding, centres must comply with donors’ respective format requirements. Recommendation 9 remains open pending submission of the comprehensive logical framework for the regional centres’ project planning.

**B. Financial and administrative control**

**Weaknesses in internal controls over the management and use of trust funds**

38. OIOS noted the following weaknesses in internal controls over the management and use of trust funds, which rendered the centres vulnerable to inefficiencies and possible financial loss.

- There was a lack of adequate segregation of duties between the requisitioning and reconciliation functions. Even though the centres were the requesting offices, they were also responsible for the detailed reconciliation of the requests for payments and expenditures. On the other hand, the Executive Office, who is responsible for reporting on the centres’ finances was not involved in the reconciliation process;

- The centres did not consistently prepare reconciliation reports and submit them to the ODA-EO on a monthly basis. Therefore, any discrepancies between the detailed records and the IMIS reports were not detected in a timely manner. Without access privileges to the automated financial systems, the centres cannot verify the financial data with UNDP at the end of each month according to the procedures issued by the Executive Office. In the case of UN-LiREC, the reconciliations were prepared only once every six months;
• The ODA-EO does not have access to the UN Accounts Division’s final year-end balances, which are maintained in the NOVA reporting interface with IMIS. As a result, there were delays in reconciling unliquidated obligations; and

• There was duplication in the recordkeeping of the expenditures by the UN Accounts Division and UN-LiREC. This was due to the fact that UN-LiREC did not have access to IMIS or to ATLAS, the UNDP accounting system. Access to either system would facilitate a timelier reconciliation between the centre’s requests for payments and recorded expenditures, as well as facilitate the timely monitoring of unliquidated obligations. UNDP had been willing to grant UN-LiREC access, on a trial basis, to its accounting system. However, the centre could not obtain access to ATLAS due to the fact that ODA did not have a unique “donor code”, which was required by UNDP to distinguish it as a separate UN client in the system. OIOS surveyed the Office for the Coordination of Humanitarian Affairs (OCHA) field offices that had automated access to ATLAS and found that the OCHA field offices were being provided this access through the Internet with a username and password code. This alternative had not been explored by ODA for the regional centres.

Recommendations 10 to 12

(10) The ODA Executive Office should ensure that reconciliation reports are completed by the regional centres on a monthly basis;

(11) The ODA Executive Office should request access to the UN Accounts Division’s NOVA reporting interface with the Integrated Management Information System in order to facilitate the retrieval of accounting reports for reconciliation purposes; and

(12) The ODA Administration should review the efficiency and cost-effectiveness of obtaining access to the UNDP ATLAS accounting system for its regional centres.

39. The ODA Management partially accepted recommendation 10 and explained in detail the current practice of committing funds to the regional centres from allotment request, to financial authorization, to the local UNDP office and inter-office vouchers from UNDP to UN Headquarters. The ODA Management further explained that delays in the preparation of monthly reconciliations are a systemic UN-wide problem. Notwithstanding the practical problems that the centres face in reconciling the monthly accounts, OIOS reiterates the importance of ensuring that the monthly accounts are reconciled in a timely manner in order to preserve the integrity of the internal controls over the financial management of the centres. In accordance with the ODA guidelines, the centres should, on a monthly basis, make every effort to visit with the local UNDP offices in order to identify, investigate, and reconcile accounting
differences. Recommendation 10 remains open pending submission of evidence of the timely preparation, review, and approval of the monthly reconciliations.

40. The ODA Management accepted recommendation 11 and stated that the request was refused by the UN Accounts Division earlier this year. ODA/EO will submit another request for access to NOVA. If granted, NOVA reports will be shared on a regular basis with RDB and the regional centres. If the request is denied, ODA would not be in a position to implement this recommendation. Recommendation 11 remains open pending submission of a copy of the request to the UN Accounts Division by ODA to access the NOVA system. The ODA management should also ensure that there is a segregation of duties between the requisitioning and the reconciliation functions.

41. The ODA Management accepted recommendation 12 and stated that until the centres receive access to Atlas, the staff at the centres should visit UNDP at the end of every month and verify their requests against the vouchers processed. ODA is arranging for centre Directors to have access to both IMIS and Atlas to aid in reconciliation. OIOS has been copied on all related communications with UNDP concerning this issue. Recommendation 12 remains open pending submission of evidence that the alternative ODA procedure to visit the UNDP offices by the centres’ staff at the end of every month, in the absence of the centres’ access to the UNDP ATLAS system, to verify their requests against the vouchers is being complied with by the centres.

Lack of detailed written policies and procedures for regional centres weakened transparency and accountability

42. It was evident from OIOS’ review of UN-LiREC’s compliance with controls that there was a need to clarify the policies and procedures governing the centre’s financial management, human resources management and administrative duties. Although the ODA-EO had prepared the “United Nations Office for Disarmament Affairs: Administrative Guidelines for the regional centres” (ODA Administrative Guidelines), dated 9 June 2008 and conducted three visits to the centres, these efforts had been insufficient to adequately guide the centres in the performance of their administrative duties. At the root of the problem was the fact that, in some cases, the centres are required to follow the UNDP regulations and rules for financial management and human resources management, whereas in other cases they follow UN regulations and rules. According to UN-LiREC, even this was mainly due to the lack of clarity in the applicable rules governing the centre’s operations and insufficient support from the ODA-EO. Due to this lack of clarity and necessary training, controls over the procurement and human resources areas were inadequate to ensure compliance with the applicable UN regulations and rules.

Inadequate internal controls over the procurement of low value goods and services

43. In accordance with the UN procurement manual, an agency must have procurement authority to exercise the solicitation, competitive bidding and selection of a vendor for low value goods and services. For acquisitions with
estimated costs ranging from $2,500 to $30,000, a minimum of five prospective vendors are required to be invited to bid to ensure maximum competition. According to the ODA Administrative Guidelines for the regional centres, the Directors of the centres have no delegated certifying and/or approving authority, but rather, are “requesting” officers who make specific requests to the local UNDP offices for the purchase of goods and services exceeding $2,500. However, OIOS noted that UN-LiREC selects its own vendors and negotiates its own purchase orders for the procurement of all goods and services ranging from $2,500 to $30,000, as well as over $30,000, prior to submitting the requests to UNDP for payment processing. Contracts valued over $30,000 are reviewed by the UNDP Contracts, Asset and Procurement Committee (CAP).

44. UNDP confirmed that the decision for the procurement underlying the payment requests is the responsibility of the local agency, in this case, UN-LiREC. Therefore, the practice being followed by UN-LiREC was a departure from the UN procurement manual. OIOS noted that the centre had taken up this issue with the ODA-EO and the RDB Chief in November 2008 and again in March 2009. However, despite the ODA Administration’s efforts to resolve the issue with UNDP, the controls were still inadequate.

Lack of transparency and consistency in the competitive process for hiring consultants and the centres’ staff

45. There was a gap in the controls over the centres’ competitive selection of consultants and centres’ staff. According to the ODA-EO, the centres are required to follow the UNDP regulations and rules related to the hiring of these genres of personnel resources. However, UNDP stated that the Director of UN-LiREC has the necessary authority to select and approve consultants and staff hired under Special Service Agreement (SSA) contracts. Consequently, between 2006 and 2008, UNDP did not perform the control functions over the hiring process, such as ensuring that at least three candidates with the requisite skills and expertise are considered for any assignment, and reviewing the justification for hiring them.

46. OIOS’ review of the recruitment of UN-LiREC’s consultants and staff indicated that a competitive process had not been consistently followed. For example, in 2006-2009, the recruitment of nine programme and project personnel did not undergo competition and at least three candidates were not considered for the positions. In one case, at the request of a Member State, UN-LiREC had hired an employee on an SSA contract. In six cases, consultants were either hired or re-hired on the basis of the Director of the centre’s instructions. In the other two cases, the consultants had been recommended by the donors. OIOS also noted that for four out of 19, or 21 per cent, of the consultants hired, their tenure had exceeded 24 months, which was in contravention of the provisions of ST/AI/1999/7. Justification for the use of the outside experts had also not been adequately documented. Since ODA had relied on UNDP to oversee the competitive selection of the regional centres’ consultants and staff, the controls over this process were inadequate.
Recommendations 13 to 16

The ODA Executive Office should:

(13) In consultation with the Regional Disarmament Branch and the regional centres, develop detailed written policies and procedures related to the day-to-day financial management and human resources management of the centres;

(14) Review the procurement decisions being taken by the UN Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean for the acquisition of goods and services with values ranging from $2,500 to $30,000 and ensure that they adhere to the UN procurement manual;

(15) Ensure that all regional centres’ personnel performing the finance, procurement and human resources management functions are properly trained and possess the required competencies; and

(16) Ensure that the regional centres competitively select consultants and personnel in accordance with ST/AI/1999/7.

47. The ODA Management accepted recommendation 13 and stated that ODA-EO and the centres will elaborate the existing guidelines. Recommendation 13 remains open pending submission of a copy of the written policies and procedures.

48. The ODA Management accepted recommendation 14 and stated that IAD has been copied on all communications with UNDP and UNDP agreed to process all procurement requests of US$2,500 and above by the centre. The centre should not undertake the vetting process for such requests and has been informed in earlier mission reports and more recently. ODA also confirmed with the Director of the Procurement Division that no specific delegation is required for purchases of US$2499.99 and below, which the centres can carry out. Based on the action taken by ODA, recommendation 14 has been closed.

49. The ODA Management accepted recommendation 15 and stated that the guidelines to be elaborated by the Executive Office and the centres would address this issue. The centres’ directors should ensure that selected candidates for these positions possess the required skills and competencies. As a point of clarification, these functions in the field come under UNDP rules. Therefore, training should be on-site in the field as appropriate with support from the Executive Office and RDB as needed. Recommendation 15 remains open pending submission of evidence of training provided to the centres’ staff performing finance, procurement and human resources management.
50. The ODA Management accepted recommendation 16 and stated that ODA agrees that the centres are required to undergo a competitive process for all recruitments, whether consultants or staff. Based on the response provided to OIOS, recommendation 16 has been closed.

Late reporting to donors observed in several cases

51. In 2006-2008, OIOS noted that donor reporting in UN-LiREC was frequently late. In the 20 cases reviewed, only seven donor reports (35 per cent) had been submitted on time. Of the 13 reports not submitted on time, the centre had requested an extension from the donors for seven of the reports. However, despite being granted extensions, the centre still reported to the donors from one to nine months beyond the extended deadlines.

Recommendation 17

(17) The ODA Management should ensure that the regional centres submit financial reports to donors in conformance with the donor requirements.

52. The ODA Management accepted recommendation 17 and stated that ODA agrees that reporting to donors needs to be timely; however, all cases of late reporting were due to the slowness of the UNDP inter-office voucher system in awaiting the receipt of charges and/or credits from UNDP offices. ODA took the decision that the reports rather than being timely should accurately reflect the financial data in the UN’s Accounts and have kept donors informed when reports will not be able to meet the deadline. As with the reconciliation issue, this is a system-wide problem. Based on ODA Management’s explanation and the assurance provided to OIOS, recommendation 17 has been closed.

Performance evaluations of the centres’ staff were not completed

53. Best management practices dictate that the performance of the regional centres’ staff should be evaluated, on an annual basis, as a basis of renewing their employment contracts. However, except for the Directors, the performance of the centres’ staff had never been evaluated since they are employed on SSA contracts. Consequently, the contribution of the centres’ staff to the achievement of the work plans had not been properly assessed and training opportunities to improve the staff competencies had not been adequately identified. In the UNLiREC Director’s case, his Performance Appraisal Service (PAS) report had only been completed for the 2006-2007 and 2007-2008 performance periods. As of the date of the audit, his 2008-2009 PAS had still not been completed.

Recommendation 18

(18) The ODA Management should ensure that the regional centres evaluate the performance of all of its staff.

54. The ODA Management accepted recommendation 18 and stated that ODA agrees with this recommendation. In fact, it is applied across the Office
and not only limited to the centres. However, it is the responsibility of RDB and the centres to ensure proper evaluation of the staff who work within these organizational units. Based on the response provided by the ODA Management, recommendation 18 has been closed.

V. ACKNOWLEDGEMENT

55. We wish to express our appreciation to the Management and staff of ODA for the assistance and cooperation extended to the auditors during this assignment.
<table>
<thead>
<tr>
<th>Recom. no.</th>
<th>Recommendation</th>
<th>Risk category</th>
<th>Risk rating</th>
<th>C/ O¹</th>
<th>Actions needed to close recommendation</th>
<th>Implementation date²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The ODA Management should conduct a comprehensive review of the impact of the regional centres’ programmes with particular emphasis on the risks of significant reliance on voluntary contributions. The result of the review should be reported to the General Assembly for consideration in the context of the mandates for the regional centres’ programmes.</td>
<td>Governance</td>
<td>High</td>
<td>O</td>
<td>Evidence regarding ODA’s review of resources allocated to the centres and reporting to the General Assembly of the results of the review.</td>
<td>None provided.</td>
</tr>
<tr>
<td>2</td>
<td>The ODA Executive Office should provide the Regional Disarmament Branch Chief with complete financial information, including copies of allotments and financial authorizations for the regional centres.</td>
<td>Financial</td>
<td>Medium</td>
<td>O</td>
<td>Confirmation by ODA that copies of the allotments are provided to RDB as an established management practice.</td>
<td>None provided.</td>
</tr>
<tr>
<td>3</td>
<td>The ODA Management should require the regional centres to prepare individual project budgets and monitor expenditures on a project-by-project basis.</td>
<td>Operational</td>
<td>Medium</td>
<td>O</td>
<td>A copy of detailed cost plans for each project.</td>
<td>None provided.</td>
</tr>
<tr>
<td>4</td>
<td>The ODA Management should ensure that all changes to the regional centres’ work plans are approved by the Regional Disarmament Branch prior to their implementation. The ODA Management should ensure that the discretionary activities and outputs of the regional centres are clearly linked to the Regional Disarmament Branch programme of work, with the target audience identified and the expected accomplishments outlined.</td>
<td>Compliance</td>
<td>Medium</td>
<td>O</td>
<td>Evidence of approval of work plans prior to their implementation.</td>
<td>None provided.</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Operational</td>
<td>Medium</td>
<td>O</td>
<td>A copy of work plans in line with the biennium programme budget-related documents and monitoring tools.</td>
<td>None provided.</td>
</tr>
<tr>
<td>6</td>
<td>The ODA Management should ensure that the Administration of the United Nations Centre for Peace Disarmament and Development in Latin America and the</td>
<td>Operational</td>
<td>Medium</td>
<td>O</td>
<td>Evidence that the new procedure to maintain documentation for all projects has been implemented.</td>
<td>None provided.</td>
</tr>
<tr>
<td>Recom. no.</td>
<td>Recommendation</td>
<td>Risk category</td>
<td>Risk rating</td>
<td>C/O</td>
<td>Actions needed to close recommendation</td>
<td>Implementation date</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------------------------------------------------------------------------</td>
<td>---------------</td>
<td>-------------</td>
<td>-----</td>
<td>--------------------------------------------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>7</td>
<td>Caribbean maintains complete documentation for all of its projects in order to ensure transparency and accountability for the proper use of donor funds.</td>
<td>Financial</td>
<td>Medium</td>
<td>O</td>
<td>A copy of the approved 2010 centres’ cost plans and staffing tables.</td>
<td>None provided.</td>
</tr>
<tr>
<td>8</td>
<td>The ODA Management should review the distribution of the resources between the substantive and administrative functions of the United Nations Centre for Peace Disarmament and Development in Latin America and the Caribbean with a view to filling posts that are critical to the effective functioning of the centre.</td>
<td>Operational</td>
<td>Medium</td>
<td>O</td>
<td>Evidence of ODA’s consideration to develop the common information management database.</td>
<td>None provided.</td>
</tr>
<tr>
<td>9</td>
<td>The ODA Regional Disarmament Branch should implement a uniform logical framework for all of the regional centres to ensure consistency in project planning.</td>
<td>Operational</td>
<td>Medium</td>
<td>O</td>
<td>A copy of a comprehensive logical framework for the regional centres’ project planning.</td>
<td>None provided.</td>
</tr>
<tr>
<td>10</td>
<td>The ODA Executive Office should ensure that reconciliation reports are completed by the regional centres on a monthly basis.</td>
<td>Compliance</td>
<td>Medium</td>
<td>O</td>
<td>Evidence of the timely preparation, review, and approval of the monthly reconciliations.</td>
<td>None provided.</td>
</tr>
<tr>
<td>11</td>
<td>The ODA Executive Office should request access to the UN Accounts Division’s NOVA reporting interface with the Integrated Management Information System in order to facilitate the retrieval of accounting reports for reconciliation purposes.</td>
<td>Financial</td>
<td>Medium</td>
<td>O</td>
<td>A copy of the request to the UN Accounts Division by ODA to access the NOVA system.</td>
<td>None provided.</td>
</tr>
<tr>
<td>12</td>
<td>The ODA Administration should review the efficiency and cost-effectiveness of obtaining access to the UNDP ATLAS accounting system for its regional centres.</td>
<td>Financial</td>
<td>Medium</td>
<td>O</td>
<td>Evidence that the alternative ODA procedure to visit the UNDP offices by the centres’ staff at the end of every month, in absence of the centres’ access to the UNDP ATLAS system, to verify their requests</td>
<td>None provided.</td>
</tr>
<tr>
<td>Recom. no.</td>
<td>Recommendation</td>
<td>Risk category</td>
<td>Risk rating</td>
<td>C/ O¹</td>
<td>Actions needed to close recommendation</td>
<td>Implementation date²</td>
</tr>
<tr>
<td>-----------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------</td>
<td>-------------</td>
<td>-------</td>
<td>--------------------------------------------------------------------------------------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>13</td>
<td>The ODA Executive Office should, in consultation with the Regional Disarmament Branch and the regional centres, develop detailed written policies and procedures related to the day-to-day financial management and human resources management of the centres. The ODA Executive Office should review the procurement decisions being taken by the UN Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean for the acquisition of goods and services with values ranging from $2,500 to $30,000 and ensure that they adhere to the UN procurement manual.</td>
<td>Human Resources</td>
<td>Medium</td>
<td>O</td>
<td>against the vouchers is being complied with by the centres. A copy of the written policies and procedures.</td>
<td>None provided.</td>
</tr>
<tr>
<td>14</td>
<td>The ODA Executive Office should review the procurement decisions being taken by the UN Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean for the acquisition of goods and services with values ranging from $2,500 to $30,000 and ensure that they adhere to the UN procurement manual.</td>
<td>Financial</td>
<td>High</td>
<td>C</td>
<td>Action completed.</td>
<td>Implemented. 23 Nov. 2009</td>
</tr>
<tr>
<td>15</td>
<td>The ODA Executive Office should ensure that all regional centres’ personnel performing the finance, procurement and human resources management functions are properly trained and possess the required competencies.</td>
<td>Financial</td>
<td>High</td>
<td>O</td>
<td>Evidence of training provided to centres’ staff performing finance, procurement and human resources management.</td>
<td>None provided.</td>
</tr>
<tr>
<td>16</td>
<td>The ODA Executive Office should ensure that the regional centres competitively select consultants and personnel in accordance with ST/Al/1999/7.</td>
<td>Compliance</td>
<td>Medium</td>
<td>C</td>
<td>Action completed.</td>
<td>Implemented. 23 Nov. 2009</td>
</tr>
<tr>
<td>17</td>
<td>The ODA Management should ensure that the regional centres submit financial reports to donors in conformance with the donor requirements.</td>
<td>Financial</td>
<td>Medium</td>
<td>C</td>
<td>Action completed.</td>
<td>Implemented. 23 Nov. 2009</td>
</tr>
<tr>
<td>18</td>
<td>The ODA Management should ensure that the Regional Centres evaluate the performance of all of its staff.</td>
<td>Human Resources</td>
<td>Medium</td>
<td>C</td>
<td>Action completed.</td>
<td>Implemented. 23 Nov. 2009</td>
</tr>
</tbody>
</table>

1. C = closed, O = open
2. Date provided by ODA in response to recommendations.