



OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

OCHA operations in Myanmar

**Coordination of humanitarian operations and
administration of field offices need
improvement**

22 September 2009

Assignment No. AN2009/590/03

United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTRÔLE INTERNE
INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE

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

DATE: 22 September 2009

REFERENCE: IAD: 09-02896

FROM: Ms. Fatoumata Ndiaye, Acting Director
DE: Internal Audit Division, OIOS



SUBJECT: **Assignment No. AN2009/590/03 - Audit of OCHA operations in Myanmar**
OBJET:

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we are pleased to inform you that we will close recommendations 4, 5, 10, 11, 16, 18, 24, 25 and 27 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 13, 14 and 23. 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 3, 8, 11, and 21) in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Susanne Frueh, Joint Inspection Unit
Mr. Moses Bamuwamye, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Programme Officer, 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

ACTING DIRECTOR:

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

CHIEF, NEW YORK AUDIT SERVICE:

William Petersen: Tel: +1.212.963.3705, Fax: +1.212.963.3388,
e-mail: petersenw@un.org

EXECUTIVE SUMMARY

Audit of OCHA's operations in Myanmar

OIOS conducted an audit of OCHA's operations in Myanmar. The overall objectives of the audit were to: (a) assess the effectiveness of OCHA's operations in Myanmar as the coordinator of the humanitarian community's response to Cyclone Nargis; and (b) assess the compliance with the United Nations' regulations and rules in the management of the OCHA-Myanmar Office. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

OCHA-Myanmar's coordination of the humanitarian response was weakened by: the absence of a Humanitarian Country Team contingency plan; the lack of standard operating procedures for supporting the operation from New York and Geneva; the untimely operationalization of OCHA's sub-offices, ineffective information management arrangements for the humanitarian community; information from cluster leads meetings not being systematically documented or disseminated; and the transition from emergency to early recovery not being jointly planned with UNDP.

In the opinion of OIOS, for OCHA to effectively coordinate the administrative aspects of the humanitarian operations, there were some critical factors that should have been taken into account on an urgent basis such as: (i) the early establishment of the sub-offices; (ii) the deployment of a head of office to the sub-offices; (iii) the establishment of petty cash arrangements; and (iv) the provision of internet connectivity and laptops to the sub-offices. However, OCHA did not serve these critical needs in a timely manner, resulting in weakened coordination of the humanitarian operations at the field level.

The international staff vacancy rate during the period August-October 2008 was in the range of 32-33 per cent and increased to 43-50 per cent in November-December 2008. OCHA did not deploy a dedicated Finance and Administrative Officer for the office, and four finance and administrative officers visited Myanmar on six separate missions between May 2008 to February 2009, resulting in a lack of continuity and gaps in accountability in the administrative arrangements.

OIOS observed that the delegation of authority was not properly implemented and noted several improprieties in the rental contracts for office space and vehicles.

TABLE OF CONTENTS

Chapter	Paragraphs
I. INTRODUCTION	1-6
II. AUDIT OBJECTIVES	7
III. AUDIT SCOPE AND METHODOLOGY	8
IV. AUDIT FINDINGS AND RECOMMENDATIONS	
A. Coordination of humanitarian response	9-28
B. Contract management	29-34
C. Human resources management	35-42
D. Financial management	43-55
E. Information and communications technology services	56-58
F. Security management	59-62
G. General administration	63-68
V. ACKNOWLEDGEMENT	69
ANNEX 1 – Status of Audit Recommendations	

I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of OCHA's operations in Myanmar. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. OCHA's Coordination and Response Division (CRD), New York, is responsible for OCHA's response to natural disaster and complex emergencies. CRD is also responsible for ensuring that new initiatives, modalities and best practices are shared, formalized and used for guiding OCHA activities at the field level.
3. OCHA-Myanmar was established in May 2008 to coordinate the international humanitarian community's response to cyclone Nargis which struck Myanmar on 2 May 2008, causing extensive loss of life and physical damage. The office is under the overall supervision of OCHA's Head of Office. OCHA-Geneva performs the certifying functions for all OCHA country offices, and United Nations Development Programme (UNDP)-Myanmar functions as OCHA-Myanmar's local service provider for administrative services. Table 1 details OCHA-Myanmar's approved funding from May 2008 to June 2009.

Table 1: OCHA-Myanmar's approved funding from May 2008 to June 2009

Category of costs	May to June 2008	July to December 2008	January to June 2009	Total
Staff costs	\$3,600	\$1,032,937	\$1,099,222	\$2,135,759
Non staff costs	762,000	2,180,610	763,466	3,706,076
13% programme support costs	99,528	417,761	242,149	759,438
Total	\$865,128	\$3,631,308	\$2,104,837	\$6,601,273

4. In addition to OCHA-Myanmar's headquarters in Yangon, OCHA established five sub-offices in the delta region during the period from July to November 2008 to facilitate the humanitarian community's operations in the affected areas. OCHA also coordinated the Myanmar Flash Appeal which raised \$321.4 million (67.4 per cent of the total request of \$477.1 million) for both Non-Governmental Organizations (NGOs) and United Nations (UN) organizations.
 5. OCHA's coordination role typically covers the emergency phase of a natural disaster or conflict situation and ends when the humanitarian situation moves into the rehabilitation, recovery and development phases. OCHA plans to phase out all of its sub-offices by July 2009, although the country office in Yangon will continue to support the Tripartite Core Group (TCG). The TCG is an Association of South East Asian Nations (ASEAN)-led mechanism to facilitate trust, confidence and cooperation between Myanmar and the international community in their humanitarian relief and recovery work. It consists of representatives from the Government of Myanmar, ASEAN and the
-

UN, and commenced its work on 31 May 2008. The TCG is currently funded by donors and will continue functioning until July 2010.

6. Comments made by OCHA are shown in *italics*.

II. AUDIT OBJECTIVES

7. The main objectives of the audit were to:
- (a) Assess the effectiveness of OCHA's operations in Myanmar as the coordinator of the humanitarian community's response to Cyclone Nargis; and
 - (b) Assess the OCHA-Myanmar Office's compliance with United Nations' regulations and rules.

III. AUDIT SCOPE AND METHODOLOGY

8. The audit covered the period from May 2008 to January 2009. The audit involved a review of documents and interviews with key personnel at OCHA New York, OCHA-Myanmar and UNDP-Myanmar.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Coordination of humanitarian response

No contingency plan in Myanmar

9. OCHA supports the Resident Coordinator/Humanitarian Coordinator (RC/HC) in establishing and maintaining coordination mechanisms in the field and in responding to emergencies. Contingency planning is a preparatory coordination mechanism used by the humanitarian community as a tool to anticipate, preempt and solve problems that typically arise during a humanitarian response. OCHA's New York-based Early Warning and Contingency Planning Section (EWCPS) and Geneva-based Emergency Preparedness Section support OCHA's regional offices which in turn support the Humanitarian Country Team (HCT) in the contingency planning process. Each OCHA regional office has at least one regional disaster response adviser who provides technical expertise on the contingency planning process and advice on responding to and monitoring natural disasters.

10. The OCHA Regional Office for Asia and the Pacific (OCHA-ROAP) initiated the contingency planning process for Myanmar in early 2007. However, the HCT did not have a contingency plan when the cyclone struck in May 2008. Contingency planning for Myanmar was subsequently re-started with a preparatory meeting chaired by the RC/HC in January 2009. In February 2009,

OCHA-ROAP prepared a concept paper suggesting the next steps for the preparation of the Myanmar contingency plan. In March 2009, a workshop was organized in Yangon with the participation of EWCPs to facilitate an agreement on the key elements of the contingency plan.

11. In discussions with OIOS in February 2009, members of the UN country team (UNCT) indicated that the contingency planning process was laborious and difficult to manage in emergency situations. It was felt that the process needed to be simplified and championed with the provision of skilled facilitators and standard templates to compile and analyze information. An effective contingency plan in place prior to the emergency of May 2008 could have assisted the UNCT to be better prepared for providing humanitarian assistance and protection to the affected population.

Recommendation 1

(1) OCHA should champion the contingency planning process by equipping the Humanitarian Country Team with skilled facilitators and standard templates for compiling and analyzing information.

12. *The OCHA Administration accepted recommendation 1 and stated that the inter-agency contingency planning process was re-initiated in January 2009. A simulation exercise will be scheduled following final adoption of the document.* Recommendation 1 remains open pending receipt of the contingency plan for Myanmar adopted by the Humanitarian Country Team.

OCHA lacked standard operating procedures for internal coordination

13. OCHA's policy instruction dated 30 April 2006 classified OCHA guidance materials into four categories including policy instructions, guidelines, standards operating procedures (SOPs) and handbooks. However, there is no guidance material on the internal coordination among different divisions/branches and sections/units within its headquarters, regional offices and country offices prescribing the chain of command and sequence of actions in responding to an emergency. For example, with the onset of Cyclone Nargis, CRD initially set up the Myanmar Core Group (MCG) consisting of representatives from different branches to coordinate headquarters support to the field. Subsequently, the Myanmar Task Force (MTF) was set up at the request of the Emergency Relief Coordinator and chaired by the Director of CRD. OCHA could not provide OIOS with the terms of reference for the MTF or MCG. While these initiatives were useful to coordinate the operation, there was initial confusion among the staff regarding the roles of the MTF and MCG. OCHA took two weeks to staff the MCG which then distributed a matrix of responsibilities within OCHA two weeks after the cyclone struck. Also, internal coordination for staff deployments through the different phases of an operation with different missions was provided by different branches in OCHA and needed improved coordination. For example, the United Nations Disaster Assessment and Coordination's (UNDAC) mission which is the first to arrive at an emergency site is to carry out rapid assessment of priority needs and to support

national authorities and the RC to coordinate international relief on-site. The surge capacity deployment begins one to three weeks and ends between three and six months after a disaster strikes and is aimed at filling the gap between the UNDAC mission and the subsequent OCHA's longer term staff deployments. In Myanmar, the surge capacity deployments were often withdrawn before the longer term staff was deployed, resulting in lack of continuity in coordination arrangements.

Recommendation 2

(2) OCHA should develop standard operating procedures for internal coordination within OCHA in order to respond to emergencies efficiently and effectively.

14. *The OCHA Administration accepted recommendation 2 and stated that a policy instruction on emergency response is under development and will be brought to the Senior Management Team for endorsement. Recommendation 2 remains open pending receipt of the Standard Operating Procedures on internal coordination adopted by OCHA.*

Ineffective operation of sub-offices

15. The success of OCHA's role in emergencies is dependent on how effectively it coordinates the operations in the field. In Myanmar, the operation's effectiveness depended on the establishment of sub-offices located close to the affected population. In OIOS' view, there were some critical factors that needed to be addressed in order for these sub-offices to effectively support the operation. These included: (i) the early selection of the location and establishment of the sub-offices; (ii) the deployment of a head of office for these sub-offices; (iii) an early decision on renting office space for these sub-offices; (iv) the establishment of petty cash arrangements; and (v) the provision of internet connectivity in the sub-offices. OCHA-Myanmar only started establishing the sub-offices in July 2008, one month after the five locations for the establishment of these sub-offices were identified by the humanitarian agencies in June 2008. Among the five sub-offices, two operated without a head of office and one sub-office in Patheingyi only started operations in November 2008, six months after the emergency, thereby weakening the effectiveness of OCHA's coordination role in Myanmar. Further, all sub-offices operated without internet connectivity until February 2009, nine months after the emergency, thus affecting the speed of communication and information flow between Yangon and the sub-offices, and their access to OCHA's online materials and databases. OCHA's lessons learned report entitled "Myanmar, the Field Perspective" acknowledged that field coordination was not prioritized due to internal fragmentation and competing priorities within OCHA. *OCHA stated that petty cash cannot be made available in the absence of an established office or presence and was made available at the time of the establishment of sub-offices. OCHA agreed that the Information Technology Section (HQ) should be involved during the initial phases of response planning, assessments, cost planning preparations and response using existing ICT standards, standby ICT equipment and guidelines, including adequate ICT support capacity at the field level. This was not the case for OCHA Myanmar.*

Table 2: Critical factors in making OCHA's sub-offices operational

Sub-offices	Date established	Deployment of Head of Office	Office space rented	Petty cash made available	Internet connectivity provided
Labuta	Jul 2008	Jun 2008	Sept 2008	July 2008	May 2009
Bogale	Jul 2008	Jul 2008	Aug 2008	Aug 2008	May 2009
Pyapon	Jul 2008	Jun 2008	Nov 2009	Aug 2008	Feb 2009
Mawlam yinegyun	Aug 2008	N/A	Aug 2008	Aug 2008	Feb 2009
Pathein	Nov 2008	N/A	Nov 2008	Nov 2008	N/A

Recommendation 3

(3) In establishing sub-offices in response to an emergency situation, OCHA should ensure the early selection of the location of the sub-offices and the expeditious deployment of international staff, office space, petty cash arrangements and internet connectivity so that the sub-offices will be operationally effective.

16. *The OCHA Administration accepted recommendation 3 and stated that a policy instruction on OCHA country offices is under development. This policy instruction will also address criteria for the establishment of sub-offices. Recommendation 3 remains open pending receipt of OCHA's policy instruction on OCHA country offices. The implementation of the policy instructions will be verified in OIOS' follow-up audits of OCHA country offices.*

Myanmar Information Management Unit was not fully effective

(i) Strategic direction and performance measurement

17. The Myanmar Information Management Unit (MIMU) was established in August 2007 as an inter-agency common service with support from OCHA-ROAP in Bangkok to provide reliable information on the development and humanitarian situation of the country to internal and external humanitarian actors. While MIMU was initially established to provide information relating to humanitarian concerns in a development context, the onset of Cyclone Nargis in May 2008 put pressure on MIMU to service both audiences, i.e., the cyclone-affected emergency delta region for short-term needs and the non-delta area for longer-term needs. The combination of longer-term and shorter-term objectives caused inherent contradictions in MIMU's strategy, resulting in its diminished ability to support the operations. After over a year in existence, MIMU had not finalized a work plan (February 2009) for either the emergency situation or for development needs. The lack of clarity of MIMU's objectives was mentioned repeatedly in its progress reports to the Inter-Agency Standing Committee (IASC). Also, the use of a logical framework which includes indicators for an emergency operation was not in use at the time of the audit. In 2008, the OCHA Headquarters' Assessment and Classification of Emergencies Project was

working toward an agreed process to develop indicators, definitions and approaches to facilitate multi-sectoral assessment and classification among agencies.

(ii) Governance

18. MIMU's governance structure established in January 2008 provided for a Steering Committee consisting of three representatives from the IASC and NGOs and two representatives from UN agencies. This committee was chaired by the RC/HC and met once a month. Although OCHA and MIMU were co-located on the same floor and OCHA provided technical, financial and administration support to MIMU, OCHA's Head of Office was not a member of the Steering Committee until February 2009. Further, there was no established periodicity of MIMU's reporting requirements to the IASC. Although MIMU obtained guidance from the IASC and reported to the RC/HC, it lacked supervisory guidance on a day-to-day basis. The lack of day-to-day supervision by OCHA and its absence from the Steering Committee also diminished OCHA's role as the coordinator of humanitarian activities.

(iii) Funding

19. MIMU was financed by voluntary contributions to two trust funds from the Department for International Development (DFID) and the Government of Norway. These trust funds were administered by the World Food Programme (WFP) and UNDP. Between June and December 2008, OCHA financed 60 per cent of MIMU's total operating costs including staffing, travel, equipment, rental for office space and usage of cars. Prior to Cyclone Nargis, MIMU's funding was unstable and the manager, a consultant, was also fundraising to cover the costs for MIMU's staffing positions.

(iv) Staffing

20. Prior to Cyclone Nargis, MIMU operated with one national staff in Yangon and two international staff in Bangkok on a short-term or temporary basis. Immediately after Cyclone Nargis, five Field Information Services Unit staff, two OCHA staff, a consultant and three information management partners supported MIMU from OCHA-ROAP, at Bangkok in May and June 2008. The number of MIMU staff rose to eight in May 2008 and nineteen in October 2008, due to the secondment of staff from DFID and additional recruitment by OCHA. In October 2008, fourteen of MIMU's staff were located in Yangon and five database associates were deployed to OCHA's sub-offices between August and September 2008, three months after the emergency. Due to unstable funding, staff deployments had been delayed and/or staff had been rotated. Additionally, MIMU did not have a head of unit at the time of the audit.

21. As a result of unclear objectives, unclear governance, unpredictable funding and unstable staffing, there were gaps and delays in the compilation of information by MIMU. MIMU's information and products were not always up-to-date and could therefore not always be relied upon.

Recommendations 4 and 5

OCHA should:

(4) Support the Resident Coordinator/Humanitarian Coordinator in ensuring that the Myanmar Information Management Unit's role and objectives are clarified and that it is governed, managed and staffed according to these objectives; and

(5) Ensure that the Inter-Agency Steering Committee appoints an office (either OCHA or the office of the Resident Coordinator/Humanitarian Coordinator) for the day-to-day supervision of the Myanmar Information Management Unit and the management of its work plan, including the indicators of performance, budget and administration.

22. *The OCHA Administration accepted recommendation 4 and stated that following the audit, OCHA's support to MIMU included arranging secondments of two international Information Management Officers, additional funding of three national staff, equipment for the Humanitarian Information Centre and administrative support. The addition of OCHA to MIMU's Steering Committee in March 2009 ensured that this active support was institutionalized and that OCHA could contribute more actively to the oversight of MIMU.* Based on the action taken by OCHA, recommendation 4 has been closed.

23. *The OCHA Administration accepted recommendation 5 and stated that according to the approved MIMU Strategic Plan and Terms of Reference, the Unit reports directly to the Resident Coordinator/Humanitarian Coordinator and is governed by a Steering Committee composed of the IASC members, including OCHA.* Based on the action taken by OCHA, recommendation 5 has been closed.

Records of cluster leads meetings not maintained systematically

24. Clusters are a method of better defining the roles and responsibilities of humanitarian organizations within the sectors and providing the RC/HC with the first point of call and a provider of last resort in key sectors or areas of activity. The IASC, which is the primary mechanism for Inter-Agency coordination in humanitarian affairs, has approved the operation of nine clusters. OCHA, as coordinator of humanitarian affairs in Myanmar, is responsible for convening the cluster leads meetings, which are attended by heads of these nine individual clusters. OCHA's mission and terms of reference for field offices require that records of cluster leads meetings be maintained and shared with humanitarian actors to accurately summarize key discussions and ensure the follow-up of action points. Although the emergency in Myanmar was prevalent from May 2008, the cluster leads meeting records maintained in OCHA Yangon were available only from 31 July 2008. Further, there were gaps in the records in the period September 2008-January 2009. These information gaps weakened the effectiveness of coordination because information was not being disseminated on

a regular basis. The Head of Office, who arrived in Yangon in mid-July 2008, explained that staff shortages had prevented the consistent maintenance of the cluster leads meetings records. Critical issues to be followed up were noted by him personally at these meetings. Additionally, OCHA-Myanmar's Reports Officer left Myanmar in November 2008 without a replacement, further weakening the process of information dissemination. OCHA's poor staff planning and deployment seriously affected the systematic sharing of cluster leads meeting records, which weakened its coordination efforts.

Recommendation 6

(6) OCHA should ensure the systematic maintenance and dissemination of cluster leads meeting records to relevant humanitarian actors by deploying critical staff expeditiously in future emergencies.

25. *The OCHA Administration accepted recommendation 6 and stated that to enable quicker deployment of staff in future emergencies, OCHA is building up a field roster of suitable candidates, including experts on cluster coordination. Recommendation 6 remains open pending receipt of OCHA's confirmation that the field roster of suitable candidates is ready for the expeditious deployment of critical staff in emergency responses.*

Transition from emergency to rehabilitation/recovery not supported by a joint work plan

26. OCHA and UNDP are mandated to coordinate relief activities in the humanitarian emergency and recovery phases of the operations, respectively. OCHA's strategic objectives include contributing to a seamless transition from emergency to early recovery. Further, OCHA's mission and terms of reference for field offices indicate that an exit strategy for the office should be developed to ensure that issues related to the transition are adequately addressed.

27. Based on information disseminated through the cluster leads meetings and the Post Nargis Recovery and Preparedness Plan (PONREPP), the transition from the emergency to recovery phases in Myanmar started in December 2008 and continued until June 2009. In February 2009, the Tripartite Core Group endorsed the PONREPP, which laid down the coordination structure for early recovery over a three-year period from January 2009 with a view to using the sub-offices network developed during the emergency period for the recovery operations. In mid-February 2009, UNDP started an internal assessment to formulate a plan with the view to using OCHA's sub-offices network as recovery coordination sub-offices. However, OCHA and UNDP offices were not aware of their different work plans even though they were located in the same office building. OCHA and the UNDP country team could benefit from institutionalizing the requirement of a joint work plan between their offices to document the transition from the emergency to the recovery phase.

Recommendation 7

(7) OCHA and UNDP should develop a joint work plan to ensure a smooth transition from emergency relief to recovery operations in future emergencies.

28. *The OCHA Administration accepted recommendation 7 and stated that discussions with UNDP and OCHA-Myanmar are ongoing, in conjunction with OCHA's internal discussions on a policy instruction for OCHA's role in transition.* Recommendation 7 remains open pending receipt of the policy instruction on OCHA's role in the transition from emergency relief to the recovery phase and a joint work plan between OCHA and UNDP.

B. Contract management

Non-compliance with instructions on delegation of authority

29. OCHA-Myanmar rented cars from individuals due to the non-availability of car rental companies in Yangon. Prior to September 2008, OCHA-Myanmar staff signed car and office space rental contracts without obtaining three quotations or documenting a competitive process. Six contracts were signed directly by OCHA's Head of Office, Finance Officer and Field Humanitarian Affairs Officer without obtaining UNDP's approving signatures as required under the delegation of authority rules and in accordance with Chapter II of the Field Administrative Manual. Among these contracts, one contract involved a car rental from a UNDP staff member in violation of paragraph g of UN Staff Regulation 1.2, which stipulates that staff members should not use their office for private gain. This contract was not renewed after December 2008. The payments for this contract were processed and made to the UNDP staff member by the UNDP local office. OCHA-Myanmar's staff was also aware that this contractor was a UNDP staff member but did not advise UNDP to stop the payment. Further, OCHA-Myanmar did not follow the practice of consulting the UNDP local office on the rates paid by other agencies for car rentals. The practice of obtaining competitive rates by obtaining three quotations was only initiated in September 2008. Upon discussion with OIOS, the UNDP local office agreed to take the lead in coordinating rental rates for cars and office space.

Recommendation 8

(8) OCHA should investigate the circumstances under which its staff signed contracts without obtaining UNDP's approving signatures in accordance with the delegation of authority instructions and approved contracts without obtaining three quotations.

30. *The OCHA Administration accepted recommendation 8 and stated that this is currently under investigation.* Recommendation 8 remains open pending receipt of documentation on the conclusion of OCHA's current investigation.

Office space contracts were not properly negotiated

31. OCHA-Myanmar rented office space in Yangon at a five-star hotel at the rate of \$2.2/square foot per month. UNDP was also renting some office space in this hotel. UNDP informed OIOS that other UN agencies rented office space in another hotel at a rate of \$1/square foot per month. OCHA-Myanmar had not documented its selection process including the justification for renting office space in the current location. However, OCHA-Myanmar informed OIOS that it benefited from the hotel's security arrangements and utilities such as water, electricity, cleaning and pest control. The contract with the hotel included private benefits for individuals such as long-stay discounts for food and beverages, spa, laundry and cleaning services, and the complementary use of the hotel's health club and swimming pool for OCHA staff during off-peak hours. The inclusion of private benefits in a rental contract for office space was discussed by OIOS both with OCHA and UNDP. OIOS advised that the clauses pertaining to private benefits should be excluded and the rates be renegotiated based on the exclusion of these clauses. UNDP had taken up the negotiation with the hotel at the time of the audit.

32. Further, OCHA rented an office in the Bogale sub-office for the period from August to December 2008, with three months rent paid in advance. A month later, OCHA secured another office in the same area and had to pay rental for two offices for an overlapping period of two months. OCHA could not provide documentation justifying the decision of renting two offices for two months in the same area. There was no documentation on file to indicate the liquidation of the earlier contract for the vacated office. OCHA was yet to confirm the precise date of its move into the second office space in Bogale.

Recommendations 9 and 10

OCHA-Myanmar should:

(9) Re-negotiate the rental rates for its offices in Yangon in order to exclude the clauses providing private benefits to OCHA staff; and

(10) Provide justification for its decision to engage in a second contract for office space in Bogale with an overlapping period of two months and ensure that the first contract is properly liquidated.

33. *The OCHA Administration accepted recommendation 9 and stated that as explained to OIOS during the fieldwork, the lease agreement for the current premises occupied by OCHA-Myanmar was negotiated by the former UNDP Deputy Resident Representative (DRR) Operations in 2008. The lease agreement for 2009 is currently being negotiated by the present UNDP DRR Operations. Recommendation 9 remains open pending receipt of the re-negotiated rental contract.*

34. *The OCHA Administration accepted recommendation 10 and stated that OCHA-Bogale's first office was small and dilapidated. Therefore OCHA-Bogale identified an office offering better conditions for the staff, which was secured in October 2008. The new building required a few repairs on the roof area. Two other NGOs also operating in Bogale were attempting to take over the same premises. Therefore, it was agreed with the landlord to repair the office as a matter of priority and OCHA would move in afterwards. Since OCHA staff could not move into a house where the roof was under repair, the overlap period was unavoidable. Based on the justification provided by OCHA, recommendation 10 has been closed.*

C. Human resources management

Staffing delays disrupted the operation

35. From the inception of the emergency in May 2008 to December 2008, an analysis of vacancy information by OIOS and OCHA indicated that the deployment of international staff was too slow for the operation to be effective. For example, the cost plan for July–December 2008, which includes the staffing table for the office, was approved only on 14 August 2008, three months after the cyclone in May 2008. Further, the vacancies in the period August–October 2008 were in the range of 32–33 per cent and increased to 43–50 per cent in November–December 2008. Apart from the deployment of the five UNDAC team members over three weeks in mid-May 2008, OCHA did not mobilize an adequate number of staff in the early period of the operation. Further, OCHA appointed three different Heads of Office in the first three months of the emergency and the Head of Office at the time of the audit took charge only in mid-July 2008. During the first three months, the critical posts of the Reports Officer and the Inter-Cluster Coordinators in the Yangon office were also not filled. Also, two critical posts for the International Field Coordinator/Humanitarian Affairs Officer in two sub-offices were also not filled. In addition, the office operated without an on-site Administrative and Finance Officer in the months of August 2008, December 2008 and January 2009. Four Administrative and Finance Officers arrived on six separate missions to Myanmar from May 2008 to end-February 2009 and the office continued to operate without a dedicated on-site Administrative and Finance Officer. The lack of an international professional staff operating as Head of Office for two sub-offices made it extremely difficult to operate the sub-offices smoothly.

Table 3: Vacancies as a percentage of approved staffing in 2008

	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
International staff	N/A	5%	19%	32%	33%	33%	43%	50%
National staff	N/A	N/A	68%	34%	32%	27%	27%	27%

Source: OCHA-Myanmar Staffing table, excluding UNDAC and surge capacity

(i) Gratis personnel used as substitute for regular staff

36. In accordance with General Assembly Resolution 51/243 of 15 September 1997, OCHA entered into a Memorandum of Understanding (MOU) with nine governments for obtaining standby partners. According to the resolution, the use of gratis personnel should be on an exceptional and temporary basis and for specialized functions only. The use of gratis personnel should be limited to providing temporary and urgent assistance, and may not be sought as a substitute for regular staff. Due to the non-recruitment of regular staff to replace standby partners, OCHA relied on the services of two staff members provided by standby partners and one Junior Professional Officer to lead three sub-offices for a period of between four and ten months. This practice is in contravention of the intent of the General Assembly Resolution 51/243 on the use of gratis personnel.

(ii) Recruitment of national staff not adequately advertised

37. Chapter III of the OCHA Field Administrative Manual requires that advertisements for the recruitment of national staff be placed in the local media. OCHA announced vacancies for the database associate posts in a popular English language newspaper and circulated these posts within the UN country network. However, vacancies for all other national posts were announced in the country's UN network only. While, the vacancy announcement in the newspaper attracted 77 candidates, the advertisement circulated within the UN network attracted only 34 candidates in four cases reviewed by OIOS.

Recommendations 11 to 13

(11) OCHA-Geneva should ensure the expeditious approval of the staffing table and the deployment of critical staff in order to adequately support future emergency operations.

(12) OCHA-Geneva should ensure that a dedicated Finance and Administrative Officer is deployed to the OCHA-Myanmar field office to ensure a stable and accountable operation.

(13) OCHA-Myanmar should advertise vacancies for national staff in the local media in accordance with the Field Administrative Manual.

38. *The OCHA Administration accepted recommendation 11 and stated that in cases of emergency operations, OCHA's surge capacity is activated to provide human resources in the short term. OCHA has now introduced the roster system for critical categories of staff and would be able to draw from the pool of rostered candidates in emergency situations, thus facilitating the timely deployment of critical staff. Based on OCHA's assurance that the roster will be used for expeditious deployments of staff, recommendation 11 is closed.*

39. *The OCHA Administration accepted recommendation 12 and stated that it is working to expedite the recruitment of a dedicated Administrative Officer. Recommendation 12 remains open pending OCHA's confirmation that a dedicated Administrative Officer has been recruited for OCHA-Myanmar's Office.*

40. *The OCHA Administration did not accept recommendation 13 and stated that the recruitment of OCHA national staff is done in full accordance with UNDP-Myanmar procedures. The advertisement for OCHA positions is done through the UNDP system. The entire recruitment process, including soliciting of applications, short-listing, interviews and selection of candidates, is done by UNDP-Myanmar. In the files reviewed by OIOS, it was evident that OCHA was involved in the entire process relating to the recruitment jointly with UNDP and that several vacancies for national posts were not advertised in the local press. Further, the UNDP Personnel Manual requires the advertisement of vacant posts in the local press if there is no application by a UNDP staff member within two weeks of the internal circulation. Recommendation 13 remains open pending receipt of OCHA's confirmation that national posts are advertised in the local press in accordance with UNDP instructions and OCHA's Field Administrative Manual.*

Delayed training for staff

41. Chapter II of the Field Administrative Manual requires the identification of training needs for the national staff on the establishment of an office. These training needs should be communicated to OCHA headquarters. OCHA-Myanmar did not have an annual training plan but made a request for training in September 2008 to OCHA-ROAP. On-the-job training was provided to staff by the Deputy Head of the Office during his missions to sub-offices in the cyclone-affected areas. However, official training for OCHA staff and partner organizations in the field on substantive skills was organized only in early October 2008 and covered basic field coordination skills with follow-up training on the same topics in the Myanmar language in November 2008. The administrative workshop for national staff was organized in late November 2008, seven months into the emergency operations. Delayed training resulted in the humanitarian staff lacking a basic understanding of the clusters approach and in developing coordination skills, even though some staff had worked on the response for several months within the cluster structure.

Recommendation 14

(14) OCHA-Geneva should ensure that training needs are identified, an annual training plan is prepared and that training is provided to staff in the field in the early stages of an emergency.

42. *The OCHA Administration did not accept recommendation 14 and stated that OCHA-Myanmar has maintained an ongoing orientation and training programme for all staff levels in all technical areas (administrative as well as programmatic) throughout its existence. Support for the design and facilitation*

of these dedicated workshops was sourced from NYC, Geneva and most regularly from the ROAP. Internal workshops included training administrative officers, reports officer, one-day staff orientations for new national staff, Field Coordination and Cluster Leads staff members. OIOS agrees that OCHA has been providing orientation and training program for staff at all level in Myanmar. However, the training sessions were conducted five to six months into the emergency response operation. OIOS reiterates recommendation 14, which will remain open pending confirmation of the measures taken by OCHA to identify and address training needs of national staff in new offices in the early stages of an emergency.

D. Financial management

Inefficiencies in petty cash arrangements

43. OCHA-Myanmar operated petty cash accounts in 2008 for sub-offices with the advance and replenishment limits of \$500 for Yangon and \$1,500 each for the five sub-offices away from Yangon. Chapter II of the Field Administrative Manual designates the Head of Office as the Requesting Officer, and the Administrative Officer or Assistant Administrative Officer with the responsibility of ensuring that petty cash advances are properly accounted for and monitored. The Field Administrative Manual does not specify who should be designated as the petty cash custodian. OCHA-Geneva designated the Head of Office in Myanmar as the petty cash custodian for all five sub-offices. The Head of Office acted as both cash custodian and the Requesting Officer at the same time, violating the principle of segregation of duties. However, the actual custodians of cash were the Finance and Administrative Officer/Assistant Administrative Officer in Yangon and Administrative Assistants in the sub-offices away from Yangon. The Head of Office instructed UNDP to make petty cash advances and replenishments to the Administrative Assistants on a case-by-case basis.

44. OCHA-Myanmar did not maintain a single cash book for each sub-office showing all transactions from July to November 2008 but rather maintained cash advance clearances as and when disbursed. These records did not reflect the replenishments and balances carried forward separately but rather consolidated the amounts as cash advances. Petty cash records for the sub-offices were maintained in different formats and did not indicate separately the amounts and dates of replenishment. The statements were attached to supporting documents in paper files without sequential numbering, making it difficult to review the petty cash statements.

45. OCHA-Myanmar closed all petty cash accounts and returned all remaining balances to UNDP at end-December 2008, under the requirements in the Field Administrative Manual. The renewed authorization to open new petty cash accounts in 2009 was delayed and issued only on 19 February 2009 after protracted correspondence between OCHA-Myanmar and OCHA-Geneva. This delay disrupted the operation especially in the sub-offices as the Myanmar economy was dominated by cash transactions.

Recommendation 15

(15) OCHA-Geneva should segregate the duties of petty cash custodian by designating the custodians for petty cash separately from the Head of Office who is the requesting officer.

46. *The OCHA Administration accepted recommendation 15 and stated that OCHA-Geneva has developed draft standard operating procedures for petty cash operations, which includes the requirement for segregation of duties. Recommendation 15 remains open pending receipt of OCHA's adoption of the standard operating procedures on petty cash operations.*

Recommendation 16

(16) OCHA-Geneva and Myanmar should assess the petty cash requirements in each field offices for the following year in December of the previous year, and issue the financial authorizations within the first week of the new year.

47. *The OCHA Administration accepted recommendation 16 and stated that financial authorizations are usually issued to field offices in December for the following year's operations and OCHA does not expect a delay in the issuance of the authorization for the year 2010. Based on OCHA's assurance that the financial authorizations for petty cash will not be delayed for 2010, recommendation 16 has been closed.*

Advances not monitored

48. OCHA does not monitor receivables against advances paid out. For example, OCHA-Myanmar made an advance deposit of \$100 to the landlord in respect of the Bogale sub-office in late July 2008 although this was not required in the contract. The advance was also not recovered after early termination of the lease agreement in October 2009. OCHA-Myanmar collected the deposit four months later on 2 March 2009 after OIOS brought it to their attention. Similarly, OCHA did not recover the advance payment of \$2,600 made to a consultant for services rendered on behalf of the project "Village Track Assessment" as the payment was directly recorded as an OCHA expense. OCHA's Field Administrative Manual does not provide guidance on the monitoring of advances and receivables. The lack of a systematic monitoring of receivables against advance payments led to the non-collection of these two advances.

Recommendation 17

(17) OCHA should monitor and collect receivables on advance payments, and include guidance on this procedure in the Field Administrative Manual.

49. *The OCHA Administration partly accepted recommendation 17 and stated that while OCHA agrees to monitor advances, it is not authorized to*

collect receivables on advance payments. OIOS agrees that OCHA should not collect receivables on advances and security deposits as this should normally be done directly by UNDP. However, OCHA has paid a security deposit for the rent of the OCHA-Bogale sub-office because UNDP did not have a presence in Bogale. Therefore, recommendation 17 remains open pending receipt of OCHA's instruction to monitor and collect advances and deposits in the field in such cases.

Delayed reconciliation of inter-office vouchers

50. OCHA-Myanmar had not reconciled its expenditures with UNDP's inter-office vouchers (IOV) statements until six months after the establishment of the office. The reconciliation was further delayed thereafter because of the backlog of statements. As a result, OCHA could not identify an amount of \$2,240 which should have been charged to the United Nations Office of Drugs and Crime under a joint UN programme but were erroneously posted by UNDP to OCHA's accounts on 25 November 2008. Chapter III of the OCHA Field Administrative Manual requires field offices to request reports on expenditures made by UNDP on behalf of OCHA on a regular basis and to ensure that OCHA records correspond with those of UNDP.

Recommendation 18

(18) OCHA-Myanmar should ensure that inter-office vouchers are reconciled on a monthly basis and discrepancies are resolved immediately with the UNDP local office.

51. *The OCHA Administration accepted recommendation 18 and stated that OCHA-Myanmar started the reconciliation of IOVs in October 2008 when the international Administrative Officer arrived in Myanmar. Reconciliation of prior months was also done post-facto. The reconciliation of IOVs is now part of the finance system in Yangon. Based on the action taken by OCHA-Myanmar, recommendation 18 has been closed.*

Filing and documentation weaknesses

52. As Myanmar's economy was dominated by cash transactions, a number of large cash payments were made by OCHA-Myanmar outside the petty cash system which deals with small cash payments. UNDP advances the cash directly to OCHA staff and records it as expenditures. UNDP simultaneously files the acknowledgement of cash receipt by OCHA staff but does not require the acknowledgement of receipt by the vendor or service provider. The receipt of acknowledgement by the vendor or service provider was filed in OCHA's office only. As a result, these documents may not be easily retrievable by UNDP after the closure of the OCHA office.

Recommendation 19

(19) OCHA-Myanmar should provide a copy of the acknowledgements of receipt by vendors/service providers to UNDP for its records.

53. *The OCHA Administration accepted recommendation 19 and stated that OCHA will provide UNDP with copies of receipts from its vendors. Recommendation 19 remains open pending receipt of OCHA's confirmation that it now provides acknowledgements of receipt of payment by vendors/service providers to UNDP-Myanmar.*

Emergency grant

54. In response to an appeal by the Resident Coordinator on 23 May 2008, an emergency grant for \$97,000 was released to UNDP, to purchase items for the communities affected by Cyclone Nargis under payment authorization 2008/678 dated 10 June 2008. However, OCHA did not have a memorandum of understanding with UNDP and therefore was not provided with a utilization report for these funds.

Recommendation 20

(20) OCHA-Geneva should ensure that the release of emergency funds to agencies is supported by a memorandum of understanding to ensure proper accountability for the utilization of the funds.

55. *The OCHA Administration stated that OCHA-Geneva is investigating this matter and will respond when the facts are sorted out. Recommendation 20 remains open pending receipt of documentation detailing procedures to ensure that the release of funds to agencies is supported by a memorandum of understanding.*

E. Information and communications technology services

ICT connectivity not provided timely

56. ICT connectivity is critical for an effective emergency operation. OCHA-Geneva deputed an ICT specialist on mission to Myanmar in August 2008, three months after the emergency. OCHA-Geneva's mission proposed that internet connectivity be provided by installing a very small aperture terminal (VSAT) antenna at each office location. However, this was not found feasible because of the Myanmar government's restrictions. Internet connectivity is currently available in the Yangon office via wireless bridge through UNDP's VSAT system. All sub-offices operated without their own internet connections, and eventually OCHA-Myanmar secured an internet connection for two sub-offices (Pyapon and Mawlamyinegyun) in February 2009 (nine months after the emergency). Two other offices (Labutta and Bogale) obtained internet connectivity in May 2009 (12 months after the emergency) through a wireless

bridge arrangement with WFP. WFP charged OCHA-Myanmar \$500 per month for each sub-office as compensation for its incremental costs on account of upgrading its bandwidth. It was evident that OCHA-Myanmar had obtained very little support from OCHA-Geneva and was left to find a local solution, resulting in long delays in establishing connectivity for its sub-offices. *OCHA stated that the ICT mission had recommended a VSAT connectivity solution through the Myanmar Ministry of Post and Telecommunication using the accredited local VSAT provider (Global Technology Co., Ltd.) as per the quotation dated 14 August 2008 and the ICT mission report. The same mission report recommended adequate resources to provide the required ICT support.*

Delayed receipt of computers

57. Computers for OCHA field offices were centrally procured by OCHA-Geneva and shipped to Yangon. However, the shipment to OCHA-Myanmar was delayed. Six computers arrived in July 2008, 13 in October 2008 and 21 in January 2009 against a demand of 19, 41 and 39, respectively. The impact of the shortage was minimized with the use of 13 laptops from the Village Tract Assessment project on a temporary basis, and four computers borrowed from the Bangkok and Jakarta Offices. The office also rented six laptops in the month of October 2008. However, the lack of adequate computers directly impacted the efficiency of the staff in supporting the operation. *OCHA stated that the laptops procured and delivered corresponded to the approved OCHA-Myanmar cost plans for 2008 and 2009 and requests received.*

Recommendation 21

(21) OCHA should negotiate a global arrangement with the appropriate agency for the provision of information and communications technology services including the provision of laptops to OCHA offices in the field on a fee basis, upon the onset of an emergency, so that there is no delay in obtaining these services in future emergencies.

58. *The OCHA Administration accepted recommendation 21 and stated that OCHA initiated the emergency equipment reserve including essential ICT equipment and services for rapid deployment at the initial emergency response phase. OCHA has also started establishing such contracts and partnerships to ensure rapid access to ICT strategic stocks on standby for immediate deployment. Recommendation 21 remains open pending receipt of contracts/partnership agreements for the provision of ICT services including the provision of laptops.*

F. Security management

Lack of security clearance, appropriate security procedures and evacuation plan

59. Chapter II of the OCHA's Field Administrative Manual requires that OCHA field offices obtain security clearance from the Field Security Officer (FSO) for the lease of office premises and approval from OCHA headquarters

before requesting the signing of the lease agreements by the local service provider. OCHA-Myanmar did not obtain security clearances for the offices from the relevant authorities. OCHA-Myanmar also did not have the appropriate security procedures and an evacuation plan as required in Chapter II of the OCHA's Field Administrative Manual. In Yangon, OCHA relied on the security plan of the hotel where the office was located, which included a fire prevention plan, procedures for handling suspected packages and bomb threats. However, these arrangements had not been cleared by the Field Security Officer. The lack of a review and clearance from DSS could expose OCHA staff and operations to security risks. Further, OIOS observed that hotel residents were entering the OCHA office premises to access the internet, which OCHA provided for the NGOs. OCHA also did not have a security guard in its Yangon office to screen such visitors.

Recommendations 22 to 24

OCHA-Myanmar should:

(22) Ensure that security clearance is obtained on a timely basis for its Yangon office and sub-offices;

(23) Prepare security procedures and an appropriate evacuation plan in consultation with the local Field Security Officer in accordance with Chapter II of the Field Administrative Manual; and

(24) Employ a security guard to ensure that its office premises in Yangon are secured from random visitors at all times.

60. *The OCHA Administration accepted recommendation 22 and stated that the security clearance system is actually managed by the UNDSS office in Yangon. OCHA's office obtains security clearances for all in-country missions. Recommendation 22 remains open pending the receipt of security clearance for the OCHA-Yangon office and sub-offices.*

61. *The OCHA Administration did not accept recommendation 23 and stated that OCHA-Myanmar is part of the overall security plan managed by UNDSS-Myanmar. In fact OCHA-Myanmar contributes to the cost of the UNDSS office in Myanmar. Therefore OCHA offices are covered under the DSS evacuation plan. OIOS found however that OCHA had been relying on the hotel's security procedures which had not been cleared by the UNDSS office in Myanmar. Further, the sub-offices were hiring casual guards without a documented contract or a background check. Recommendation 23 remains open pending receipt of UNDSS clearance of OCHA security procedures for the Yangon office and sub-offices.*

62. *The OCHA Administration did not accept recommendation 24 and stated that it has been agreed that the landlord would provide full-time security coverage for the floor occupied by OCHA based on the negotiation for the office*

premise handled by UNDP-Myanmar. Moreover, the landlord also installed a security access gate on the floor occupied by OCHA offices. Based on the action taken by OCHA-Myanmar, recommendation 24 has been closed.

G. General administration

Asset management not properly documented

63. OCHA-Myanmar monitored assets in its possession, including those borrowed from other offices and projects. The borrowed assets include laptop computers from the OCHA-Bangkok and Jakarta offices, and laptop computers and cameras from the Village Track Assessment project. However the transfer of borrowed assets was not accompanied by a transfer voucher authorization specifying responsibility, timing and contact details for the return of the assets. This could result in assets not being liquidated properly or accounted for especially upon closure of the office. OCHA also allowed an international staff member to keep an office laptop computer without a transfer voucher authorization after her contract had expired as she continued to complete pending work for the office in Yangon.

Recommendation 25

(25) OCHA-Myanmar should issue a transfer voucher authorization for borrowed and loaned assets specifying responsibility, timing and contact details for the return of the assets.

64. *The OCHA Administration accepted recommendation 25 and stated that OCHA issues property receipt vouchers to all staff receiving OCHA equipment and copies of these vouchers were also provided to the auditors after the issue was raised during their mission.* Based on the action taken by OCHA-Myanmar, recommendation 25 has been closed.

Lack of fuel consumption analysis

65. OCHA's Field Administrative Manual requires the maintenance of log books but does not require a summary or analysis of fuel consumption. OCHA-Myanmar maintained log sheets for the car mileage and fuel claims. However, since the data was neither summarized nor analyzed, discrepancies in fuel consumption could not be detected or reconciled on a timely basis.

Recommendation 26

(26) OCHA-Geneva should revise the Field Administrative Manual and stipulate the requirement for an analysis of fuel consumption on a monthly basis.

66. *The OCHA Administration did not indicate whether or not it accepted recommendation 26 and stated that it is noted for update of the manual.*

Recommendation 26 remains open pending receipt of an instruction in OCHA's Field Administrative Manual for the analysis of fuel consumption.

Information sharing

67. OCHA's electronic Field Document Filing System (FiDFS) can be accessed and updated either via the internet or Lotus Notes. The Lotus Notes-based database of FiDFS was only made available to the Humanitarian Affairs Officers and Field Coordination Officers in late December 2008, six months after their arrival in Myanmar. At the time of the audit in February 2009, there were no documents filed in the shared drive on the local area network of the Yangon Office. Communications in the coordination of emergency operations were slowed down due to the lack of organized sharing of documents.

Recommendation 27

(27) OCHA-Geneva should grant field staff access to OCHA's Field Document Filing System immediately upon the establishment of an office and plan a format for using information in a shared network/drive to facilitate information sharing.

68. *The OCHA Administration did not accept recommendation 27 and stated that FiDFS-Myanmar was created on 8 May 2009 and used in OCHA-New York, OCHA-Geneva and OCHA Regional Office in Asia and the Pacific during the response. It was available to staff in Myanmar from 8 May 2009 and could have been easily installed by an Information Management Officer or a staff member competent in its installation at the field level. OCHA-Geneva did grant access to the field on 8 May 2009. Based on OCHA-Geneva's assurance that access was granted to the field office, recommendation 27 has been closed.*

V. ACKNOWLEDGEMENT

69. We wish to express our appreciation to the Management and staff of the Office for the Coordination of Humanitarian Affairs in Myanmar, New York and Geneva for the assistance and cooperation extended to the auditors during this assignment.

STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
1	OCHA should champion the contingency planning process by equipping the Humanitarian Country Team with skilled facilitators and standard templates for compiling and analyzing information.	Operational	Medium	O	Submission to OIOS of the adopted contingency plan for Myanmar by the Humanitarian Country Team.	31 December 2009
2	OCHA should develop standard operating procedures for internal coordination within OCHA in order to respond to emergencies efficiently and effectively.	Operational	Medium	O	Submission to OIOS of the adopted Standard Operating Procedures on internal co-ordination by OCHA.	31 December 2009
3	In establishing sub-offices in response to an emergency situation, OCHA should ensure the early selection of the location of the sub-offices and the expeditious deployment of international staff, office space, petty cash arrangements and internet connectivity so that the sub-offices will be operationally effective.	Operational	High	O	Submission to OIOS of OCHA's policy instruction on OCHA country offices. Implementation of the directions in the policy instructions will be verified in follow-up audits of OCHA country offices.	31 December 2009
4	OCHA should support the Resident Coordinator/Humanitarian Coordinator in ensuring that the Myanmar Information Management Unit's role and objectives are clarified and that it is governed, managed and staffed according to these objectives.	Operational	Medium	C	Action completed.	Implemented
5	OCHA should ensure that the Inter-Agency Steering Committee appoints an office (either OCHA or the office of the Resident Coordinator/Humanitarian Coordinator) for the day-to-day supervision of the Myanmar Information Management Unit and the management of its work plan, including the indicators of performance, budget and administration.	Governance	Medium	C	Action completed.	Implemented

Recom. no.	Recommendation	Risk category	Risk rating	C/O	Actions needed to close recommendation	Implementation date ²
6	OCHA should ensure the systematic maintenance and dissemination of cluster leads meeting records to relevant humanitarian actors by deploying critical staff expeditiously in future emergencies.	Operational	Medium	O	Submission to OIOS of OCHA's confirmation that the field roster of suitable candidates is ready for expeditious deployment of critical staff in emergency response.	
7	OCHA and UNDP should develop a joint work plan to ensure a smooth transition from emergency relief to recovery operations in future emergencies.	Operational	Medium	O	Submission to OIOS of the policy instruction on OCHA's role in transition from emergency relief to the recovery phase and a joint work plan between OCHA and UNDP.	31 Dec 2009
8	OCHA should investigate the circumstances under which its staff signed contracts without obtaining UNDP's approving signatures in accordance with the delegation of authority instructions and approved contracts without obtaining three quotations.	Compliance	High	O	Submission to OIOS of documentation on the conclusion of OCHA's current investigation.	
9	OCHA-Myanmar should re-negotiate the rental rates for its offices in Yangon in order to exclude the clauses providing private benefits to OCHA staff.	Financial	Medium	O	Submission to OIOS of the re-negotiated rental contract.	
10	OCHA-Myanmar should provide justification for its decision to engage in a second contract for office space in Bogale with an overlapping period of two months and ensure that the first contract is properly liquidated.	Financial	Medium	C	Action completed.	Implemented
11	OCHA-Geneva should ensure the expeditious approval of the staffing table and the deployment of critical staff in order to adequately support future emergency operations.	Human resources	High	C	Action completed.	Implemented
12	OCHA-Geneva should ensure that a dedicated Finance and Administrative Officer is deployed to the OCHA-Myanmar field office to ensure a stable and accountable operation.	Human resources	Medium	O	Submission to OIOS of OCHA's confirmation that a dedicated Administrative Officer has been recruited for OCHA-Myanmar's Office.	

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
13	OCHA-Myanmar should advertise vacancies for national staff in the local media in accordance with the Field Administrative Manual.	Human resources	Medium	O	Submission to OIOS of OCHA's confirmation that national posts are advertised in the local press in accordance with UNDP instructions.	
14	OCHA-Geneva should ensure that training needs are identified, an annual training plan is prepared and that training is provided to staff in the field in the early stages of an emergency.	Human resources	Medium	O	Submission to OIOS of measures by OCHA to identify and to address training needs of national staff in new office in the early stage of an emergency.	
15	OCHA-Geneva should segregate the duties of petty cash custodian by designating the custodians for petty cash separately from the Head of Office who is the requesting officer.	Financial	Medium	O	Submission to OIOS of OCHA's adoption of a Standard Operating Procedure on petty cash operation which includes a requirement for segregation of duties.	January 2010
16	OCHA-Geneva and Myanmar should assess the petty cash requirements in each field offices for the following year in December of the previous year, and issue the financial authorizations within the first week of the new year.	Financial	Medium	C	Action completed	Implemented
17	OCHA should monitor and collect receivables on advance payments, and include guidance on this procedure in the Field Administrative Manual.	Financial	Medium	O	Submission to OIOS of OCHA's instruction to monitor and collect advances and deposits in the field in such cases.	
18	OCHA-Myanmar should ensure that inter-office vouchers are reconciled on a monthly basis and discrepancies are resolved immediately with the UNDP local office.	Financial	Medium	C	Action completed.	Implemented
19	OCHA-Myanmar should provide a copy of the acknowledgements of receipt by vendors/service providers to UNDP for its records.	Financial	Medium	O	Submission to OIOS of OCHA's confirmation that it now provides acknowledgements of receipt of payment by vendors/service providers to UNDP-Myanmar.	

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
20	OCHA-Geneva should ensure that the release of emergency funds to agencies is supported by a memorandum of understanding to ensure proper accountability for the utilization of the funds.	Financial	Medium	O	Submission to OIOS of documentation detailing procedures to ensure the release of funds to agencies supported by a memorandum of understanding	
21	OCHA should negotiate a global arrangement with the appropriate agency for the provision of information and communications technology services including the provision of laptops to OCHA offices in the field on a fee basis, upon the onset of an emergency, so that there is no delay in obtaining these services in future emergencies.	Information resources	High	O	Submission to OIOS of contracts/partnership agreements for the arrangements for strategic stocks on stand-by for immediate deployment.	
22	OCHA-Myanmar should ensure that security clearance is obtained on a timely basis for its Yangon office and sub-offices.	Operational	Medium	O	Submission to OIOS of security clearance for the OCHA-Yangon office and sub-offices.	
23	OCHA-Myanmar should prepare security procedures and an appropriate evacuation plan in consultation with the local Field Security Officer in accordance with Chapter II of the Field Administrative Manual.	Operational	Medium	O	Submission to OIOS of UNDSS clearance of OCHA security procedures for the Yangon office and sub-offices.	
24	OCHA-Myanmar should employ a security guard to ensure that its office premises in Yangon are secured from random visitors at all times.	Operational	Medium	C	Action completed.	Implemented
25	OCHA-Myanmar should issue a transfer voucher authorization for borrowed and loaned assets specifying responsibility, timing and contact details for the return of the assets.	Governance	Medium	C	Action completed.	Implemented

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
26	OCHA-Geneva should revise the Field Administrative Manual and stipulate the requirement for an analysis of fuel consumption on a monthly basis.	Operational	Medium	O	Submission to OIOS of instruction for fuel consumption analysis in OCHA's Field Administrative Manual.	
27	OCHA-Geneva should grant field staff access to OCHA's Field Document Filing System immediately upon the establishment of an office and plan a format for using information in a shared network/drive to facilitate information sharing.	Operational	Medium	C	Action completed.	Implemented

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

ANNEX 2

*Use this page if the orientation of Annex 2 is portrait. If the orientation is landscape, insert a section break at the end of Annex 1 and continue on the new page. (On the **Insert** menu, point to **Break**, select **Next page** under **Section break types**.) Leave the page blank if not required; do not delete it.*