



INTERNAL AUDIT DIVISION

OFFICE OF INTERNAL OVERSIGHT SERVICES

AUDIT REPORT

**Audit of the Office of the High
Commissioner for Human Rights Nepal
Office**

31 July 2007

Assignment No. AE2006/336/01

United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE
OIOS · BSCI

TO: Ms. Louise Arbour, High Commissioner
A: Office of the High Commissioner for Human Rights

DATE: 31 July 2007

REFERENCE: AUD-IAD (07-00388)

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



SUBJECT: **Assignment No. AE2006/336/01 – Audit of the Office of the High
Commissioner for Human Rights Nepal Office**

1. I am pleased to present the report on the above-mentioned audit, which was conducted from October 2006 to January 2007.

2. Based on your comments, we are pleased to inform you that we will close recommendations 5, 7 and 8 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. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as critical (i.e., recommendations nos. 1, 2, and 10), in its annual report to the General Assembly and semi-annual report to the Secretary-General.

4. IAD is assessing the overall quality of its audit process and kindly requests that you consult with your managers who dealt directly with the auditors and complete the attached client satisfaction survey form.

cc: Ms. Maria-Franciska Ize-Charrin, Director, Operations, Programme and Research Division, OHCHR
Mr. Kyle Ward, Chief, Programme Support and Management Services, OHCHR
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Mr. Jonathan Childerley, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Programme Officer, OIOS
Ms. Corazon Chavez, Acting Chief, Geneva Audit Section, 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).

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EXECUTIVE SUMMARY

Audit of OHCHR Nepal Office

OIOS conducted an audit of the Office of the High Commissioner for Human Rights in Nepal (OHCHR Nepal Office) from October 2006 to January 2007. The main objective of the audit was to assess if the OHCHR Nepal Office was established in accordance with United Nations policies and procedures and if the resources were utilized efficiently and effectively. The audit focused on the administrative activities with expenditure of approximately US\$17 million during the period May 2005 to November 2006. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

OIOS' overall assessment is that, despite initial problems in setting up the office, the OHCHR Nepal Office had established adequate controls to ensure compliance with regulations and rules and efficient and effective utilization of resources. Though OIOS did not review the substantive operations, the general impression from donors and other information gathered was that the OHCHR Nepal Office had made meaningful contribution towards its mandate to implement the Comprehensive Peace Agreement. Now that the OHCHR Nepal Office has stabilized, achieved full staffing, and established field offices, some improvements are needed to strengthen internal controls, and further improve efficiency. Our main findings and recommendations are discussed below:

- Actual establishment of the OHCHR Nepal Office was delayed, as only 33 percent of the total staff required was recruited by December 2005, against the projected full staffing by November 2005. As a consequence, staff performed functions outside of their functional area, entered into unauthorized contractual arrangements, and determined requirements for office equipment without consulting functional counterparts in Geneva. OIOS recommends that in the future, OHCHR should deploy adequately trained and experienced staff; prepare guidelines for deployment of field offices; develop the office manual; establish mechanisms for adequate planning; and improve coordination within OHCHR Geneva to better support the field offices.
- While the letters of appointment are issued on behalf of the Office of the High Commissioner for Human Rights subject to United Nations Regulations and Rules, the actual entitlements for General Service staff are processed according to United Nations Development Programme (UNDP) rules. Hence, to avoid any legal implications, OHCHR should consult with UNDP, and ensure that letters of appointment as well as the other entitlements are in compliance with the appropriate United Nations Regulations and Rules.
- The OHCHR Nepal Office needs to establish a framework to collect relevant data on the violation of human rights cases so that the database can be used for monitoring the human rights cases, and for various analyses including utilization of resources.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the Office of the High Commissioner for Human Rights in Nepal (OHCHR Nepal Office) from October 2006 to January 2007. This included a field visit to the OHCHR Nepal Office from 20 November 2006 to 01 December 2006.

2. The Office of the High Commissioner for Human Rights (OHCHR) is mandated to promote and protect the enjoyment and full realization, by all people, of all rights established in the Charter of the United Nations and in international human rights laws and treaties. This includes preventing human rights violations, securing respect for all human rights and promoting international cooperation to protect human rights.

3. The OHCHR Nepal Office was established following almost a decade of armed conflict since the CPN (Maoist) launched a “people’s war” in 1996. The escalating human rights violations due to the ongoing conflict and the state of emergency declared in February 2005, attracted international attention calling for the establishment of an international human rights mission.

4. On 10 April 2005, the Government of the Kingdom of Nepal signed an agreement with the High Commissioner for Human Rights (the Agreement), requesting the establishment of an OHCHR office in Nepal. On 20 April 2005, the Human Rights Commission adopted resolution 2005/78 welcoming the Agreement. The OHCHR Nepal Office was established in May 2005 with the appointment of the High Commissioner’s Representative along with six Human Rights Officers.

5. The Capacity Building and Field Operations Branch (CBFOB) within the OHCHR Programme and Research Division has the overall responsibility for the OHCHR Nepal Office. The main office is located in Chauni, Kathmandu, and the four field offices are in Chauni, Kathmandu, Biratnagar, Pokhara and the Nepalgunj. The total staffing as of 30 November 2006 was 132 (37 International staff, 20 UNVs and 75 National staff). The total budgeted and actual expenditure during 2005 and 2006 is shown below:

Table: 1 Budgeted and actual expenditure in 2005 and 2006 Figures in \$

	2005 (May – December)		2006	
	Budgeted amount ⁽¹⁾	Committed amount ⁽³⁾	Revised budgeted amount ⁽²⁾	Committed amount ⁽³⁾
Personnel Costs	4,112,000	1,782,000	6,385,000	6,394,000
Staff travel costs	313,000	282,000	291,000	68,000
Other Costs	2,431,000	1,725,000	1,722,000	1,406,000
Program Support Costs	891,400	492,000	1,091,000	1,062,000
Total	7,748,000	4,282,000	9,491,000	9,231,000

Source:

(1) Project document approved by Deputy High Commissioner on 16/06/2005.

(2) Project document revised on 26/09/2006.

(3) CMS report provided by OHCHR.

6. The findings and recommendations contained in this report have been discussed at an exit conference with the OHCHR Nepal Office senior management on 1 December 2006 and with the Chief of CBFOB on 13 December 2006 at Geneva. Comments made by the Office of the High Commissioner for Human Rights are shown in *italics*.

II. AUDIT OBJECTIVES

7. The major objectives of the audit were to determine if:

(a) The OHCHR Nepal Office was established in accordance with United Nations policies and procedures and if there was adequate oversight of the office during the initial deployment stage; and

(b) Internal controls were in place to ensure reliable recording and reporting of transactions, safeguarding of assets and compliance with relevant United Nations and OHCHR Regulations and Rules and efficient and effective utilization of resources.

III. AUDIT SCOPE AND METHODOLOGY

8. The review covered the period from May 2005 through November 2006 and focused on the administrative aspects of establishing the OHCHR Nepal Office and included the areas of financial management, asset management, human resources management, and procurement. OIOS did not focus on the substantive operations since a team from the European Commission visited the office in early November 2006 and reviewed the human rights activities undertaken by OHCHR Nepal office. We reviewed documentation, verified expenditures, visited two field offices (Pokhara and Nepalgunj), interviewed OHCHR staff, and United Nations Development Programme (UNDP) officials in Kathmandu.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Establishment of the OHCHR Nepal Office

Delay in initial deployment and establishment of the OHCHR Nepal Office

9. Immediately after the signing of the Agreement, an OHCHR needs-assessment team arrived in Nepal and began preparations to establish the OHCHR Nepal Office. In early May 2005, an advance team joined the staff who were already in place under previous projects. With the support of the UNDP Resident Coordinator, and the United Nations Country Team, the OHCHR Nepal Office staff immediately initiated activities envisaged in the Agreement.

10. The immediate objective of the OHCHR Nepal Office was to establish

accountability for serious and systematic human rights abuses. Establishment of the office was an extremely high priority, and a fully operational office was necessary in order to achieve this objective. The project document¹ approved on 16 June 2005 stated that “*Rapid, effective and full implementation of the Agreement is an extremely high priority for the High Commissioner for Human Rights.*”

11. However, there were delays in the actual establishment of the OHCHR Nepal Office, as only 45 staff were in position by December 2005 against the 132 proposed to be recruited by November 2005. Although few Human Rights Officers who were positioned in Nepal became operational with the support from partners such as OCHA, UNDP, UNICEF and DANIDA, OHCHR Nepal Office did not reach full deployment until early 2006. This delay in establishing the office impaired OHCHR’s ability to promptly address its mandate.

Staff deputed to establish the OHCHR Nepal Office did not have the requisite experience and qualifications

12. It was essential to have trained staff with relevant experience in administration, logistics, procurement and recruitment for the effective establishment of the OHCHR Nepal Office. However, the staff deputed to help establish the Office did not always have the requisite knowledge and experience. For instance, the assigned security staff had limited knowledge of United Nations Financial Regulations and Rules or administrative procedures, but performed administrative support functions including negotiating office accommodations, repairs, and supply of furniture.

Absence of manuals, policies and procedures for the establishment of field offices

13. Overall, administrative guidance was lacking. There was no manual for field offices, or policies and procedures to guide the staff in establishing the office. Consequently, the staff relied on their own methods and procedures used at other United Nations organizations to put in place the necessary infrastructure to make the office operational. For example, the staff inappropriately entered into contractual arrangements without proper authorisation, some of which are shown in the table below:

Table: 2 Distribution of Contracts inappropriately entered into by Nepal Office

Contract Description	Nature of Work	Nepali Rupees	\$ ^a
OHCHR/2005-05/Kathmandu Office	Air-conditioning	2,002,000	28,000
OHCHR/2005-06/Kathmandu Office	Work Partitions	4,197,000	60,000
OHCHR/2005-08/Kathmandu Office	Civil works	1,330,000	19,000
OHCHR/2005-09/Kathmandu Office	Electrical	2,033,000	28,000
OHCHR/2005-02/Kathmandu Office	Office furniture	1,673,000	23,000

Source: OIOS review of contracts entered in to by OHCHR Nepal office: “a” Exchange rate as of March 2007 from UN website.

¹ NEP/05/HC/01

Planning and coordination between OHCHR Geneva and field offices

14. OIOS recognizes that during the initial stage of programme planning, it is not possible to plan for everything, but managers of critical functions were not always consulted during the planning process. For example, the Chief of OHCHR Information Management and Technology Section was not involved in the planning process for determining the IT requirements. Furthermore, junior staff members were sent to Nepal at different times to determine the IT requirements for both Kathmandu and the field offices. This caused delays and the Kathmandu Office and the field offices were finally fully operational by September 2006.

15. The OHCHR, CBFOB had a dedicated Desk Officer (DO), to provide substantive support to the OHCHR Nepal Office. In addition, the DO coordinated and followed up on administrative issues because there was no corresponding focal point in the OHCHR Programme Support and Management Services (PSMS) in Geneva. The absence of a dedicated administrative focal point in PSMS, Geneva contributed to the delays in establishing the office. For instance, there were delays in staff recruitment, delays in forwarding financial authorisations to incur expenditure, and in some cases, the travel authorisations were not issued promptly, delaying staff travel to Nepal.

16. The issues were brought to the attention of OHCHR senior management who took prompt action. The Principal Officer, OHCHR proceeded to Nepal to resolve the problems. Over time the issues were gradually addressed. With the arrival of the senior administrative team, the OHCHR Nepal Office managed to move ahead. By early 2006, OHCHR Nepal Office had four field offices covering the entire territory of Nepal in order to monitor the human rights situation, and by 1 April 2006, 94 percent of staff, were in position.

17. OIOS appreciates the urgency of the Nepal project, and the necessity to obtain adequate office facilities in a country where such facilities are scarce. Considering the challenges of locating adequate facilities and that the installation of a phone line took several months, the staff put forth a tremendous effort to provide an infrastructure for the OHCHR Nepal Office staff to carry out its mandate. While learning curves were inevitable, OIOS believes that an initial deployment team with relevant experience and appropriate guidelines may have enabled a timelier establishment of the office.

18. In this regard, OHCHR could also explore the feasibility of coordinating with the Department of Peacekeeping Operations (DPKO), and request assistance for establishing offices in the future. The United Nations Logistics Base in Brindisi (UNLB) provides logistic support, telecommunications, and training for rapid deployment of peacekeeping operations around the world.

Recommendations 1 to 3

(1) The OHCHR Administration should ensure the development and distribution of a field manual/guidebook that will include relevant policies and procedures for the

guidance of staff in establishing new field offices to avoid the pitfalls faced by the OHCHR Nepal Office.

(2) The OHCHR Administration should ensure that the initial deployment team assigned to establish future field offices has the relevant experience in organizing logistics and infrastructure, procurement, and the requisite knowledge in administrative areas. This should help ensure that United Nations policies and rules are followed and that experienced staff members make sound decisions.

(3) OHCHR Chief, Programme Support and Management Services should consider nominating a focal point for coordinating administrative matters between the field offices and Geneva. The designated focal point should be a current staff with the necessary experience to provide administrative assistance and who would work in concert with the Capacity Building and Field Operations Branch Desk Officer to facilitate administrative matters between OHCHR and the field offices when necessary.

19. The OHCHR accepted recommendation 1 and stated that *the field manual/guidebook is under compilation by CBFOB branch of OHCHR. The final version is expected around April 2008.* Recommendation 1 remains open pending completion of the field manual/guidebook.

20. The OHCHR accepted recommendation 2 and stated that *the OHCHR CBFOB is working to develop a start-up team and the Programme Support and Management Services branch is being strengthened so that administrative staff will be deployed at the outset of future set-up missions. Clear guidelines will be part of the field manual/guidelines.* Recommendation 2 remains open pending receipt of copies of procedures for start-up team and completion of the field manual/guidebook.

21. The OHCHR Administration took note of recommendation 3 and stated that *PSMS is appointing functional focal points for coordinating administrative matters between field offices and Geneva. The functional focal points will work in concert with the CBFOB desk officer for facilitating matters between OHCHR and field offices when necessary.* Recommendation 3 remains open pending a status update on the appointment of functional focal points.

B. The OHCHR Nepal Office and Regions

Office stabilization

22. Despite initial delays and challenges, the OHCHR Nepal Office appeared to have stabilised at the time of OIOS' visit in November 2006. Financial, and other internal controls were in place, and the OHCHR Nepal Office had established four fully functional field offices, achieved full staffing and started developing some Standard Operating Procedures. Although controls were in

place for monitoring utilization of resources, safeguarding of assets, and compliance with Regulations and Rules, OIOS found that there was a need to further improve some administrative support functions as discussed below.

Finance office

23. The Finance office in OHCHR Nepal Office established controls to ensure compliance with rules and regulations, and proper maintenance of accounts. Furthermore, the Finance Officer took various initiatives to improve oversight that included: reconciling salary statements processed by UNDP office; validation of Inter Office Vouchers (IOVs) forwarded by UNDP to UNOG for payments processed on behalf of the OHCHR Nepal Office; and followed up on reimbursement of Value Added Tax.

24. In order to further enhance monitoring, OHCHR should contact the UNDP Nepal Office and explore the feasibility of obtaining “read-only” access to their ATLAS accounting system. This approach has helped other United Nations entities achieve better accountability over funds.

Recommendation 4

(4) The OHCHR Administration should explore the feasibility of obtaining “read only” access to UNDP ATLAS accounting system to facilitate tracking and monitoring of funds.

25. The OHCHR accepted recommendation 4 and stated that *the Chief, PSMS has raised this issue locally with UNDP during recent visits to Colombia, Guatemala and Mexico and achieved local agreements in principle to grant access. He will also raise this issue with UNDP New York at a forthcoming visit in July 2007.* Recommendation 4 remains open pending a status update on the request of access to ATLAS.

Cheques signed by unauthorised official

26. United Nations Financial Rule 104.5 requires that bank signatory authority and responsibility is assigned on a personal basis, and cannot be delegated. In addition, the bank signatories cannot also exercise the approving functions in accordance with Rule 105.6.

27. OIOS noted that in 22 cases of payment, one of the two cheque signatories was not authorized to sign the cheques. The bank failed to detect the improper signatory and authorized the cheques for payment. OIOS auditors brought this to the attention of the OHCHR Nepal Office. The Administrative Officer promptly directed the bank to ensure the payment of cheques with the two authorized signatories only. At the time of our review the OHCHR Nepal Office had established controls to ensure that only authorized and approved bank signatories sign cheques, hence, OIOS is making no further recommendation.

Petty cash accounts

28. According to United Nations Financial Rule 104.8, petty cash advances and Cashier's Fund advances may be made only by, and to officials designated for this purpose by the Under-Secretary-General for Management. OIOS noted that five petty cash custodians (with an amount of US \$350 each) were nominated by Principal Officer, Administration, OHCHR in February 2006. As there was no documentation that Principal Officer, Administration had been delegated authority to nominate the petty cash custodians, OIOS was unable to confirm if these nominations were in compliance with the United Nations Financial Regulations and Rules.

29. As alternate custodians were not nominated, unauthorized staff managed the petty cash when custodians were away from the duty station on leave or mission. Furthermore, one petty cash custodian of the Nepalgunj field office was reassigned to Kathmandu, however, a new petty cash officer was not assigned. Instead, the petty cash in Nepalgunj continued to be managed by staff without proper delegation of authority. In addition, surprise checks of petty cash had not been conducted.

30. UNDP issued cheques for reimbursement of petty cash expenses to custodians in their personal names. The custodians had to deposit the cheques into their personal accounts, and as a result, office cash was at times maintained in staff's personal accounts. OIOS discussed the inappropriateness of this arrangement with representatives of the OHCHR Nepal Office and UNDP. OIOS is making no further recommendation since both offices agreed to resolve this issue during our review.

Recommendations 5

(5) The OHCHR Administration should comply with United Nations Financial Regulations and Rules, and ensure that only authorised officials designate Petty Cash Custodians and the alternative custodians. Furthermore, when the Petty Cash Custodians are reassigned to another duty station or leave the office, the petty cash funds should be handed over to authorised custodians only.

31. The OHCHR accepted recommendation 5 and stated *that clear guidelines are being developed. Petty cash custodians are now authorized with approval from UNOG or through UNDP.* Based on the action taken by OHCHR recommendation 5 has been closed.

C. The OHCHR Nepal Office Administrative Support

Human Resources Management

Local recruitment

32. In the opinion of OIOS, the OHCHR Nepal Office had adequate controls in place to ensure that local recruitment was transparent, made on the basis of

merit, and objective job-related criteria.

Letters of Appointment of locally recruited General Service staff

33. During the early stages, the Letter of Appointment (LOA) sent by UNDP to the locally recruited General Service (GS) staff (on behalf of OHCHR Nepal Office), stated that staff recruited were subject to the provisions of UNDP Staff Regulations and Staff Rules. Subsequently, UNDP considered that since the staff were recruited for OHCHR, the LOA format should be amended to stipulate that the locally recruited staff were appointed in accordance with the provisions of the “Staff Regulations and Staff Rules applicable to the United Nations Office of the High Commissioner for Human Rights in Nepal”. This issue becomes relevant since the MOU between UNDP and OHCHR states that “the contract and payroll administration - shall be in accordance with the UNDP regulations, rules, policies and procedures.”

34. The salaries and other entitlements were processed by UNDP according to UNDP Staff Regulations and Rules. Since there was a conflict between the rules stipulated in the LOA, and those used for processing staff entitlements, UNDP and OHCHR should examine the appropriateness of the existing arrangements, or ascertain the best way forward to avoid future legal implications.

Recommendation 6

(6) OHCHR, in consultation with UNDP, needs to determine the proper applications of the rules when issuing Letters of Appointment (LOA) and processing staff entitlements in order to avoid any legal implications, and ensure that appointment letters as well as the salary and other entitlements of General Service and National Officers, are processed in compliance with the appropriate regulations and rules.

35. *OHCHR stated that OHCHR hires local staff in the field offices through UNDP. The staff thus hired hold UNDP contracts. OHCHR is aware of legal implications for such appointments whereby all staff entitlements and benefits are as per UNDP rules. The international staff hired to work for field offices are employed through UNOG and such contracts are not relevant to this recommendation. OIOS would like to reiterate that contracts issued by UNDP clearly stipulate that staff are recruited for the OHCHR Nepal Office and are subject to provisions of staff Regulation and staff Rules applicable to OHCHR Nepal. Therefore, the recommendation will remain open pending receipt of documentation showing that the OHCHR Legal Section has reviewed the contracts and their advice implemented.*

D. Improvements in internal control system

Overtime

36. OHCHR Nepal Office paid overtime (OT) to drivers. While the OHCHR Nepal Office reviewed OT requests, additional controls are needed to address the following issues:

- Inadequate justification and limited remarks were recorded for approval of overtime such as *Standby Duty*, *Official duty*, *airport drop pickup*, etc;
- Lack of evidence that the first half hour of overtime had been compensated as Compensatory Time Off (CTO), as required under the United Nations Regulations and Rules;
- Staff were authorised OT for one hour on Sundays, though the rules stipulate that the staff required to work on the sixth or seventh day of the week, or on an official holiday should receive the minimum four hours of OT compensation; and
- The Human Resources Unit was not involved in the review or approval process.

Recommendations 7 and 8

The OHCHR Nepal Office should:

(7) Strengthen internal controls to ensure that they comply with the appropriate rules applicable to staff on overtime, such as compensatory time off, detailing the minimum information required to justify overtime claims and involving the Human Resource Section in processing the overtime entitlements.

(8) Conduct a review of tasks that are normally required to be undertaken at weekends and after normal office hours, and consider alternative arrangements such as staggered hours, or shift arrangements, with a view to reduce the need for overtime

37. The OHCHR accepted recommendation 7 and stated *that OHCHR Nepal Human Resources Section has actively started checking and verifying the overtime claims before certification and approval. The claims are verified by HR, and forwarded to UNDP for payment by the finance section. The staff are also requested to provide more information on the log-sheets for overtime, and to take more compensatory time off.* Based on the action taken by OHCHR Nepal Office, recommendation 7 has been closed.

38. OHCHR accepted recommendation 8 and stated *that overtime payments are made to OHCHR drivers in exceptional cases. Other staff are compensated through time-off. All heads of sections and offices in Nepal have been advised to encourage staff members to avail themselves of compensatory time-off and benefit from staggered hours whenever staff members are called to work weekends, or after normal office hours. All supervisors have been advised to*

review tasks undertaken in normal hours and weekends. Based on the action taken by OHCHR Nepal Office, recommendation 8 has been closed.

39. At the time of our review, it was the general consensus of both OHCHR and the OHCHR Nepal Office that for the most part, staffing was complete and current staffing sufficient. Although we did not focus on the substantive issues there were concerns pertaining to staffing levels in the Capacity Building Unit in OHCHR Nepal Office. As the peace process continues, both OHCHR and the OHCHR Nepal Office management will need to monitor staffing levels, re-evaluate requirements, and consider increasing, decreasing, or shifting staff as requirements dictate and funding permits.

Provision of support services by UNDP

40. OHCHR and UNDP entered into a Memorandum of Understanding (MOU) on 28 September 2005 for provision of support services provided by UNDP for OHCHR operations in Nepal. For the period September 2005 to October 2006, OHCHR paid approximately US\$19,000 (or \$1,462 per month) to UNDP for services.

41. The OHCHR Nepal Office was generally satisfied with the services provided by UNDP. It had been forwarding the IOVs to the UNOG office promptly. UNDP confirmed that invoices were processed for payments within two to three days, and payments made through banks processed within a couple of days. OIOS is of the opinion that provision of services through UNDP ensures an additional level of control. Given the reasonableness of processing times, and cost effective processing fees, it would be beneficial for OHCHR to continue and consider expanding the MOU with UNDP. Therefore, to the extent feasible, the provision of support services should be delegated to UNDP. This will enable management to focus on implementing the main mandate of the OHCHR Nepal Office.

Memorandum of Understanding with United Nations Volunteers

42. The OHCHR Nepal Office relies on the support of more than 20 United Nations Volunteers (UNVs) and the senior management were impressed with their performance. However, OIOS noted that the MOU with UNV is yet to be resolved, due to the issues raised by the respective Legal Sections of OHCHR and the UNV office.

Recommendation 9

(9) OHCHR Nepal Office should arrange to resolve at the earliest, the legal issues raised in connection with the contractual agreement between OHCHR and the United Nations Volunteers to avoid any possible disputes and to ensure efficient and effective utilization of resources.

43. OHCHR accepted recommendation 9 and stated *that a MOU with UNV is underway. OHCHR provided its comments on the revised Letter of Agreement to UNV Geneva in August 2006 and is awaiting their response. Despite several*

reminders, the UNV agreement on the MOU has not yet been received. The MOU will cover all issues and especially issues concerning the contractual agreements. Recommendation 9 will remain open and will be closed on receipt of a Memorandum of Understanding signed by OHCHR and UNV.

Procurement

44. The Procurement/Logistic Officer was entrusted with responsibilities for procurement, logistics, vehicle maintenance, and asset management. OHCHR Nepal Office and UNDP share procurement responsibilities. OIOS believes that the controls were adequate and should prevent the procurement problems discussed earlier in this report.

Logistics and vehicle maintenance

45. The records for vehicle maintenance and repair were well maintained. Services and repairs were paid for in accordance with the contract negotiated by the OHCHR Nepal Office. At the Nepalgunj office, OIOS noted that the drivers were given signed blank petrol coupons to refuel the official vehicles. The drivers completed the number of litres purchased in the coupon and logbook. As this was a weak control, and could be misused, OIOS suggested that the office strengthen controls by requiring another staff member to verify the litres purchased. The office agreed to strengthen controls and hence no further recommendation is being made.

Asset management

46. OHCHR Nepal Office had conducted physical inventory of assets in Kathmandu and the field offices. OIOS noted that the field offices had an inventory list, which had been reconciled with the listing at the Kathmandu office. Hence, OIOS was of the opinion that adequate controls appeared to be in place and working well.

Information Technology (IT)

47. An international staff member heads the IT unit with the support from a UN Volunteer, and a local staff member. Aside from the initial problems, OHCHR Nepal Office and the field offices now have all the necessary IT and telecommunication equipment. OHCHR Nepal Office staff were happy with the IT services and support provided to them. One concern raised during our visit was the possibility of opening remote offices and the ability to provide IT support and connectivity. The Administrative Section informed that, as existing IT staff resources were stretched, additional support would be required to support additional offices in remote locations.

Need for database to capture information on human right cases

48. The OHCHR Nepal office had not established a framework to capture data on the violation of human rights cases. The section did not maintain, or prepare routine periodic reports regarding information such as the complaints received in different offices, cases investigated, resources deployed on each case,

other activities undertaken, interviews conducted, etc. The development of a database to collect this information would be useful for monitoring and for analysing if the situation was improving, where additional focus was required, the utilization of resources, as well as the work involved, etc. OIOS was informed that the CBFOB was in the process of reviewing a data collection tool for use throughout OHCHR.

Recommendation 10

(10) The OHCHR Capacity Building and Field Operations Branch should establish a framework to collect relevant data on the violation of human rights cases, so that the database can be used for monitoring the human rights cases, as well as for various analyses including utilization of resources.

49. The OHCHR accepted recommendation 10 and *stated that a decision was taken in 2006 to have a global database to ensure all field presence use a compatible system. In October 2007, OHCHR will implement this new database as a pilot project in Nepal.* Recommendation 10 remains open pending receipt of documentation on the framework established to collect relevant data on the violation of human rights and the implementation of the database.

V. ACKNOWLEDGEMENT

50. We wish to express our appreciation to the Management and staff of OHCHR and OHCHR Nepal office for the assistance and cooperation extended to the auditors during this assignment.

STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	C/O ¹	Actions needed to close recommendation	Implementation date ²
1	O	Completion of the field manual/guidebook	April 2008
2	O	Procedures established for start-up team and completion of field manual/guidebook	April 2008
3	O	Appointment of administrative functional focal points	September 2007
4	O	Access to the UNDP ATLAS system	October 2007
5	C	Action completed	Implemented
6	O	Documentation showing that the OHCHR Legal Section has reviewed the contracts and their advice implemented	Not stated
7	C	Action completed	Implemented
8	C	Action completed	Implemented
9	O	Completed MOU or Letter of Agreement between OHCHR and UNV	December 2007
10	O	Implementation and utilization of database on violation of human rights	December 2007

1. C = closed, O = open

2. Date provided by OHCHR in response to recommendations

UNITED NATIONS



OIOS Client Satisfaction Survey

Audit of: The Office of the High Commissioner for Human Rights Nepal Office

(AE2006/336/1)

	1	2	3	4	5
By checking the appropriate box, please rate:	Very Poor	Poor	Satisfactory	Good	Excellent
1. The extent to which the audit addressed your concerns as a manager.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The audit staff's understanding of your operations and objectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Professionalism of the audit staff (demeanour, communication and responsiveness).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The quality of the Audit Report in terms of:					
• Accuracy and validity of findings and conclusions;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Clarity and conciseness;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Balance and objectivity;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Timeliness.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The extent to which the audit recommendations were appropriate and helpful.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The extent to which the auditors considered your comments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Your overall satisfaction with the conduct of the audit and its results.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please add any further comments you may have on the audit process to let us know what we are doing well and what can be improved.

Name: _____ Title: _____ Date: _____

Thank you for taking the time to fill out this survey. Please send the completed Survey as soon as possible to: Mr. Dagfinn Knutsen, Director, Internal Audit Division, OIOS, Room DC2-518, United Nations, New York, NY 10017. You can also send it via e-mail (knutsen2@un.org) or by fax (+1-212-963-2185).