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**Executive Board
Second Regular Session**

Rome, 7–11 November 2005

RESOURCE, FINANCIAL AND BUDGETARY MATTERS

Agenda item 5

For consideration



Distribution: GENERAL
WFP/EB.2/2005/5-G/1
4 October 2005
ORIGINAL: ENGLISH

REVIEW OF THE DUBAI SUPPORT OFFICE AND FAST INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS EMERGENCY AND SUPPORT TEAM (FITTEST)

Report by the External Auditor

NOTE TO THE EXECUTIVE BOARD

This document is submitted for consideration to the Executive Board.

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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External Auditor's Report 2004

The United Kingdom National Audit Office (NAO) provides an external audit service to the World Food Programme (WFP). The External Auditor, Sir John Bourn, has been appointed by the Executive Board in accordance with Financial Regulations. In addition to certifying the accounts of the WFP under Article XIV of the Financial Regulations he has authority under the mandate, to report to the Executive Board on the efficiency of the financial procedures and the general administration and management of WFP.

The NAO provides external audit services to international organisations, working entirely independently of its role as the Supreme Audit Institution of the United Kingdom. The NAO has a dedicated team of professionally qualified staff with wide experience of the audit of international organisations.

The aim of the audit is to provide independent assurance to Member States; to add value to the WFP's financial management and governance; and to support the objectives of its work

World Food Programme - Review of the Dubai Support Office and Fast Information Technology and Telecommunications Emergency and Support Team (FITTEST)

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Executive Summary

This section of the report summarises

- *The nature of activities of the WFP office based in Dubai.*
- *The key findings from our review.*
- *The intention and target of the recommendations which we have made.*

1. The World Food Programme's support office based in Dubai offers worldwide transport solutions, non-food procurement, storage and cargo handling facilities to WFP offices and other organisations. In the period of 2002-05 its operations have grown rapidly in response to demand rather than by a planned expansion. The Fast Information Technology and Telecommunications Emergency and Support Team (FITTEST) also based in Dubai works closely with the support office and has responsibility to rapidly establish communications networks which enable the transportation of food to hardest hit areas in emergencies. FITTEST has the challenging target of arranging equipment and staff to be on route within 24 hours of notification of a new emergency. Both of these units are mandated to provide their services on a full cost recovery basis. In 2004 the Units had combined income of \$14.7 million, some 7 per cent of the WFP's non food procurement of \$204 million.
2. The Dubai support office and FITTEST represent new management and structural approaches to the delivery of aspects of the WFP's operations. My staff examined them in the context of WFP's Strategic Plan 2004-05 which identified nine management priorities. My report makes recommendations to enhance achievement against the priorities related to strengthening partnerships within the UN family and the private sector (priority 1); the effectiveness of support to the field operations (priority 5); the accountability of models used (priority 7), and the improvement of funding and resource mobilisation outside of the traditional donor base (priority 9).

3. My key findings are:
 - the expansion of activity in the Dubai Support office has led to the use of new contractual arrangements with additional risks of which WFP has little previous experience. These will require careful management and clear accountability arrangements.
 - there are clear operational benefits in flexibility and rapid deployment achieved through maintaining a separate FITTEST team against alternative arrangements of expanding technical expertise at a regional, large country office or Headquarters level.
 - FITTEST staff set up operations under conditions where it can be very difficult to assess in advance whether rapid procurement is more cost-effective than procuring routinely and incurring handling, storage, maintenance and possibly obsolescence costs.
 - FITTEST and the support office have made significant progress in the introduction of estimates and charging mechanisms for full-cost recovery.
4. I have made eight recommendations related to FITTEST and the support office activity designed to:
 - Confirm that the generally accepted WFP mandate covers the expansion into activities supported by new funding;
 - Remedy identified weaknesses in operational guidelines and the accountability model;
 - Strengthen risk management procedures to address corporate and operational risks identified during the review;
 - Strengthen accountability for the recovery of full costs;
 - Contribute towards an overall assessment of whether procedures developed in Dubai offer the best value for money;
 - Enable country offices to benchmark major procurement facilities to assist in least cost procurement throughout WFP; and
 - Enhance the accuracy and reliability of performance measurement of Dubai activity.

Introduction

This introduction provides an:

- *Overview of WFP activities based in Dubai.*
- *Assessment of the reasons why WFP operates from Dubai.*
- *Oversight of the growth of Dubai activity on behalf of WFP and external organisations.*
- *Analysis of the funding sources supporting the expansion in activity and capacity since 2002.*

5. The Fast Information Technology and Telecommunications Emergency and Support Team (FITTEST) based in Dubai acts as the WFP first response to emergencies with responsibility to rapidly establish communications networks which enable the transportation of food to the hardest hit areas. FITTEST has a target of arranging equipment and staff to be on route within 24 hours of notification of a new emergency if funding is available. During 2004-2005 FITTEST supported WFP programmes including Sudan, Haiti, Iraq, Afghanistan, Chad, Liberia and the Tsunami-impacted countries.
6. Formally established in 2002, the Dubai support office acts in close association with FITTEST operations as an administration centre, non-food procurement unit and warehousing facility. The office comprises separate specialist units for procurement, logistics, donor relations, and finance and administration. The logistics unit manages warehouses storing equipment and holds responsibility for contracting the air, sea and overland transportation of goods originating from Dubai or in transit through the country. The Units are mandated to provide their services both internally within WFP and externally on a full cost recovery basis.
7. Together FITTEST and the Dubai support office procured non-food equipment and services in excess of \$14 million in 2004 by comparison to non-food procurement by Headquarters and other WFP offices totalling \$204 million. Although relatively small in comparison to Headquarters non-food procurement in terms of value, the office is important for WFP future development as it is based on a new model for the rapid deployment of equipment and key skills in emergency situations.
8. The Dubai support office retains sufficient warehouse stock for the immediate establishment of 23 emergency field offices. The intention is to avoid the delays built into the previous arrangements which required procurement in each emergency situation

or the delivery of equipment retained by suppliers under long term agreements. FITTEST communications experts remain on standby in case of emergency. The availability of expertise and the warehouse stock enable WFP to respond more quickly in the initial phase of an emergency to meet the immediate need for communications and equipment supply.

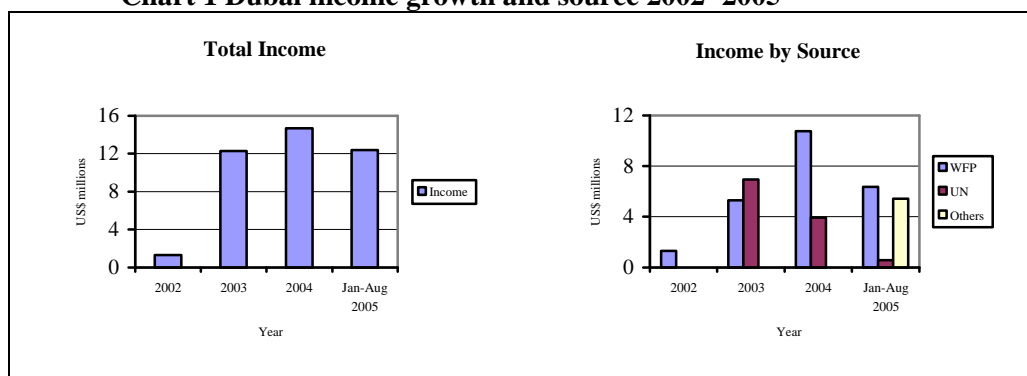
Why a base in Dubai?

9. In 2001, the Dubai office opened as a support and contingency unit for the Central Asia Emergency. In early 2002, FITTEST moved to Dubai, merging two communications teams previously based in Kampala and Islamabad. Dubai provides WFP with ready access to a worldwide transportation hub close to major WFP programmes and an accessible supplier base covering Western Europe, Northern and Central Africa, the Middle East and Western Asia. The United Arab Emirates (UAE) has no requirement for WFP programmes.
10. In June 2004, the support office significantly expanded its warehousing capacity by 10,000 square metres when it moved into new premises at the Dubai Humanitarian City, which was designed to WFP specifications. Dubai plans to use the additional capacity to offer storage and cargo handling facilities to WFP offices and other agencies, in addition to transport solutions worldwide. The UAE provided the warehouse and office area rent free for these operations for an initial five year period; enabling the WFP to save some US\$76,000 annually in rental charges.

Growth since 2002

11. The scope and range of Dubai-based operations shows rapid growth over four years mainly in response to demand rather than through a planned expansion. Chart 1 analyses yearly Dubai income overall and by source; with the income from WFP contracts mainly being dependent on the extent of emergencies. In 2004 total income was \$14.7 million representing 7 per cent of WFP non food procurement.

Chart 1 Dubai income growth and source 2002 -2005



Source: Dubai financial record

12. The Dubai staffing complement - 59 as at August 2005 – and the number of additional communications technical staff change with demand or transfer to and from temporary projects in country offices. To address any risk of emergencies not providing work and funding for existing staffing, Dubai management contracts telecommunications expertise and procurement outside of WFP. Chart 1 shows the impact in 2005 of World Bank funding for the procurement of equipment for the Democratic Republic of the Congo amounting to US\$5.4 million from which Dubai overhead recovery totalled some US\$625,000.

Scope Of Our Review

This section of the report covers:

- *Our reasons for reviewing operations in Dubai and the scope of the examination concerning issues of mandate, risk management, value for money and performance assessment.*
- *How we carried out our review and the sources of information on which our recommendations and conclusions are based.*

13. Our audit planning paper provided to the November 2004 Executive Board (WFP/EB.3/2004/INF/8) noted that WFP is heavily reliant on Information Technology communications in emergencies and that the special FITTEST team was funded by a donor levy on the staffing and equipment costs that it incurs in telecommunications support, emergency projects and relief operations. I proposed to present this report to the Executive Board because of the value of communications to the organisation both operationally and economically.
14. The WFP Strategic Plan for 2004-2007 included five strategic priorities (WFP/EB.3/2003/4-A/1). To provide a solid foundation for delivering these strategic programme objectives in May 2004, the Executive Board approved nine management priorities based on an analysis of the organisation's existing weaknesses. My report on the Dubai Support office and FITTEST provides an opportunity to assess executive progress on management priorities in particular the effectiveness of support to the field operations (priority 5) and the accountability of models used (priority 7).
15. Since the Dubai support office and FITTEST act closely together we reviewed both operations considering:

- whether the expansion of Dubai activities is within WFP's mandate and is supported by clearly defined models of accountability;
 - risks management of the Dubai-based operations;
 - whether Dubai activities provide WFP with identifiable value for money and operational benefit; and,
 - results based performance measurement of Dubai activities.
16. To provide a robust support for our analysis and conclusions my staff visited Dubai to examine the Units activities and interview senior management and staff. In addition we interviewed headquarters senior management including heads of procurement, logistics, and telecommunications; obtained feedback from nine country offices and regional bureaux visited before our review; and examined relevant procedures, reports and recorded results.

Mandate

The mandate section of the reports includes:

- *A review of the extent to which the generally accepted WFP mandate covers the current expansion in Dubai-based activities.*
- *An assessment of the accountability model covering Dubai operations.*
- *An insight into plans to adapt current procurement guidelines to enhance flexibility and speed of procurement.*

17. In 2005, WFP obtained World Bank funding of some US\$12 million for the Dubai support office to procure non-food equipment such as clothing, tents and cooking equipment for the Democratic Republic of the Congo (DRC). Under the terms of the contract between WFP and DRC, WFP obtained the full \$12 million in advance from the World Bank, allowing immediate procurement to commence. The contract involved procurement beyond that normally associated with WFP activities into areas more usually covered by other United Nations organisations.
18. This arrangement is consistent with the Strategic Plan approved by the Executive Board and in particular management priority 1 – strengthening partnerships within the United Nations family, Breton Wood's institutions, Non-Governmental Organisations and the private sector; and management priority 9 – improve the funding and resource

mobilisation outside of the traditional donor base to other governmental and private/corporate donors.

19. The agreement represents a new form of contractual arrangement, however, opening the prospect of further projects where WFP acts as a procurement agency with additional risks to WFP operations in areas where WFP has little previous experience. My staff found that the Secretariat had not obtained formal confirmation from WFP legal section that such contracts comply with the general WFP mandate.

Recommendation 1: I recommend that WFP obtain formal confirmation from its legal section that new contractual arrangements particularly in significant areas of activity remain within the general mandate of WFP.

20. During my staff's visit to Dubai, my staff found that the office had procured all the contracted equipment at an actual cost of US\$4.8 million representing a saving of US\$5.7 million (54 per cent) on the planned and agreed equipment costs, enabling a refund to the World Bank of the unused funds.

Accountability model: guidelines and decentralised responsibilities in Dubai

21. My staff found that the mandate, management relationships and the lines of accountability with Headquarters, regional bureaux and country offices for the Dubai based operations are out of date and lack clarity. The absence of a formally defined corporate mandate and clear management framework reflecting FITTEST and Dubai current operations, leaves uncertainty as to the most appropriate means by which the procedures enabling fast deployment of key skills and equipment developed by Dubai can be more widely incorporated into WFPs global operations.
22. My staff found that the reporting lines to regional bureaux and WFP Headquarters for the decentralised responsibilities undertaken in Dubai are not clearly identified. There is little evidence of Dubai reporting through its regional bureau in Cairo. Similarly my staff could find no evidence that key decisions affecting corporate operations were formally approved by WFP Headquarters. FITTEST management had prepared guidelines for standard operating procedures defining working standards and expectations; but I found no evidence of senior management acceptance or approval of these guidelines.
23. To operate effectively, all staff and stakeholders need to have a common understanding of their responsibilities and lines of accountability to ensure anticipated corporate benefits,

efficient operations and compliance with corporate policies. My review found that the accountability arrangements need to be clarified. For example:

- the Dubai support office and headquarters procurement had differing views on the procedures required for the purchase of 30 vehicles for Sudan costing approximately US\$700,000. Corporate guidelines required ‘collaboration with regional bureaux and headquarters’ while an executive directive dated 14 September 2004 required prior approval by headquarters for the level of expenditure;
- Initially FITTEST formed part of the Information Communication and Technology section at headquarters for reporting purposes but the section now considered FITTEST to be part of the Dubai activities. There is no formal reporting line between the two activities;
- Dubai supplies equipment to country offices from stock or using long term agreements. There is no clear procedure, however, to allow country offices to treat these supplies as an inter-WFP transfer of assets in ways which satisfies WFP’s corporate procurement rules and procedures; and,
- Headquarters aimed to strengthen procurement planning rather than be reactive to demand by creating a WFP light vehicle pool for immediate transfer to emergency situations. As an initial step it considered potential storage locations including Dubai. Meanwhile Dubai established a rotating stock of six landcruisers advertising their availability to country offices. Headquarters procurement expressed concern that the rotating stock undermined its capacity to obtain the best value for money from suppliers.

Recommendation 2: I recommend that WFP clarify the reporting lines and accountability model for Dubai, and FITTEST; and update its guidance on the objectives of the operations; the processes and activities involved and stakeholder roles.

24. I consider there is significant scope for headquarters procurement guidelines to reflect some of the practices developed in Dubai and elsewhere to enable greater flexibility and speed of procurement while retaining the oversight requirements for United Nations procurement generally. I **welcome** therefore the review of the procurement manual at headquarters, ongoing at the time of our examination, which management informed us aims to incorporate procedures specifically designed to cover accountability and rapid procurement deployment in emergency situations.

Risk Management

My appraisal of risk management includes:

- *A profile of corporate and operational risks to the achievement of management priorities.*
- *An analysis of reputational risk to propriety and procurement oversight.*
- *An examination of risks related to staffing and system duplication.*

Corporate and operational risk assessment

25. WFP management is in the process of introducing risk assessment to assist informed management decision-making directed at the achievement of the management priorities. As a contribution to this evolving approach I examined the corporate and operational risks associated with Dubai-based activities. Corporate risks can impact on the Programme itself generally requiring senior management action whereas operational risks can usually be addressed by local management.
26. I considered specific risks to the achievement of management priority 7 - increased transparency and accountability - by assessing procurement oversight; and to management priority 5 - strengthening operational support - by reviewing reliance on specialised staffing and the risk of system proliferation.

Oversight

27. The Dubai support office is assisted by an advisor linked to one Dubai-based group who provides pro-bono advice. This group has received nearly US\$3 million of WFP contracts from 2001 to August 2005. We found no evidence of undue influence, but I consider that, at the corporate level, a reputational risk to the Programme exists in these circumstances.
28. To address operational risks related to the oversight of procurement, WFP procurement guidelines require review by an independent committee on contracts to establish transparent, clear authority for procurement contracting. In exceptional circumstances these procedures may be bypassed by the appropriate level of authority possibly with subsequent post-facto review. I noted instances of expediency leading to a lack of full transparency in procurement procedures from Dubai-based companies - a tyre purchase requisition amounting to some \$896,000 dated earlier than the close of competitive tender exactly matched the format and price of the offer eventually accepted. The requisition had been based on earlier prices quoted by the supplier, reducing the likelihood of fully open competition for all suppliers.

Recommendation 3: *I recommend that the Secretariat maintain rigorous and independent review of contractual procurement arrangements through the appropriate committee on contracts to continue addressing risks to propriety and transparency.*

Corporate risk management of the reliance on specialised staffing

29. At the time of my review, the Secretariat was considering the balance of headquarters and field-based staffing to strengthen operational support. I considered the corporate risks to the Programme in providing support for telecommunications and non-food procurement.
30. The growth in non-WFP activity, such as the World Bank-funded project, creates an increased corporate risk that priorities for Dubai procurement may follow funding sources with the result that inadequate capacity exists for specialised staff to provide coverage of WFP emergency situations when they arise.
31. The Secretariat review, in considering the expansion of localised technical expertise and storage facilities, should examine how priorities can be set at sufficiently senior level and then acted upon at the local level.

Operational risks of reliance on specialised staffing

32. The relatively newly-established Dubai office has benefited from a greater freedom to adopt new working practices including flexibility in mobility, recruitment and retention policies. The 2004 annual report of the FITTEST operations describes the required expertise and dedication of its field-based staff who may be required to travel at a moment's notice to anywhere in the world. These requirements raise operational risks of reliance on a relatively small population of flexible staff with the necessary technical expertise. Dubai management reported that detached duty fatigue after the Iraq emergency resulted in difficulty in supporting subsequent emergencies throughout WFP. FITTEST focused more on project and team management of newly hired local teams rather than the direct technical work in several operations with operational staff being hired on short notice and with limited experience.

Recommendation 4: *I recommend that any Secretariat review of telecommunications and non-food procurement service provision should address how responsibilities for priority setting are set at a senior management level and clear lines of responsibility established.*

Systems proliferation

33. Dubai uses a locally developed inventory system, with an Access database; not suitable for multi-site operations. The office management considers that the SAP WINGS software used worldwide by WFP offices is also unsuitable, as it depends on remote connectivity without links into the sales and cost recovery records of WFP Dubai. Dubai planned to introduce Microsoft Great Planes software in 2005 which the local management believes will improve the automation of the supply chain and the reporting of results. This approach would readily meet the localised operational need of FITTEST and Dubai.
34. At the corporate level however, in my report on the upgrade of the WINGS software to the June 2005 Executive Board I supported the Secretariat approach to limit customisation of WINGS or the use of peripheral systems which have to transfer information to and from WINGS.

Recommendation 5: I recommend that the Secretariat consider whether the available functionality and connectivity in WINGS could address the requirements of Dubai without system replication.

Value For Money

My review of value for money includes:

- *An assessment of the \$600,000 deficit the Dubai based operations incurred in 2004.*
- *An insight into the full cost recovery mechanisms used in Dubai.*
- *An analysis of ways to promote more cost effective procurement in WFP.*
- *An assessment of the growth in warehouse stock and the plans for a light vehicle pool.*

Value for money assessment

35. FITTEST staff set up operations under conditions where it can be very difficult to assess in advance whether rapid procurement is more operationally efficient and cost-effective than procuring routinely and incurring the handling, storage and maintenance costs that go with it.
36. My staff assessed the procedures in place in the Dubai support office to secure the value for money of its operations.

Cost recovery of Dubai activities

37. The guidelines (FS2001/005) for the special account used by WFP to fund the Dubai operations require full cost recovery. Current operations are no longer fully compliant with these guidelines. In 2004, overhead charges were increased from 5 per cent to 7.5 per cent for WFP clients and from 11.5 per cent to 13 per cent for other agencies. Notwithstanding these increases for the year to December 2004 WFP Dubai had a deficit of US\$600,000. Although FITTEST's technicians spent more time on missions than planned (90 per cent against 80 per cent) the budget overestimated the income received. This deficit could be recovered in 2005 only through further increases in overhead charges. The support office and FITTEST established a charging mechanism for clients based on meeting the direct costs of the services provided plus a percentage to meet overheads.
38. The deficit in 2004 was due to the under recovery of all the direct costs of providing services, some of which had not been properly identified when billing other parts of WFP. For example the direct charge out rate for a FITTEST technician was raised from US\$200 a day in 2004 to US \$250 in 2005.

Full cost recovery charging mechanisms

39. I recognise the significant advance FITTEST and the support office has made in the introduction of estimates and charging mechanisms for full-cost recovery but further work is necessary to ensure the robustness of the cost identification procedures and the setting of appropriate fees.
40. My staffs review of the recovery mechanism identified the following benefits:
- management obtains greater understanding of costs and their relationship to business activity and informed decision-making;
 - increased accountability for costs incurred and greater incentives to secure cost reductions and efficiency;
 - internal or external customers recognise the costs of services by way of a charge which the office is required to justify;
 - staff can more readily understand full cost recovery as a common team objective; and
 - the overhead charged can be recorded in WINGS.
41. My main reservation about the current approach is the appropriateness of using a fixed percentage of client order value for recharging since:
- order value does not relate to the main cost incurred by the office – the staff time associated with the activity;
 - order values may fluctuate widely creating difficulty in accurate prediction of the percentage charge required to cover overhead costs;

- increases in order values generate over-recovery encouraging the building of reserves to cover periods where under-recovery occurs. Significant surpluses may generate resentment within the organisation if comparisons are made with other support functions appearing less efficient. Surpluses may also negatively impact cost efficiency within the support function, and result in internal customers feeling they are being overcharged; and,
- there is a reduced incentive for clients to aggregate purchase orders which would help efficiency by reducing the number of orders to the support office.

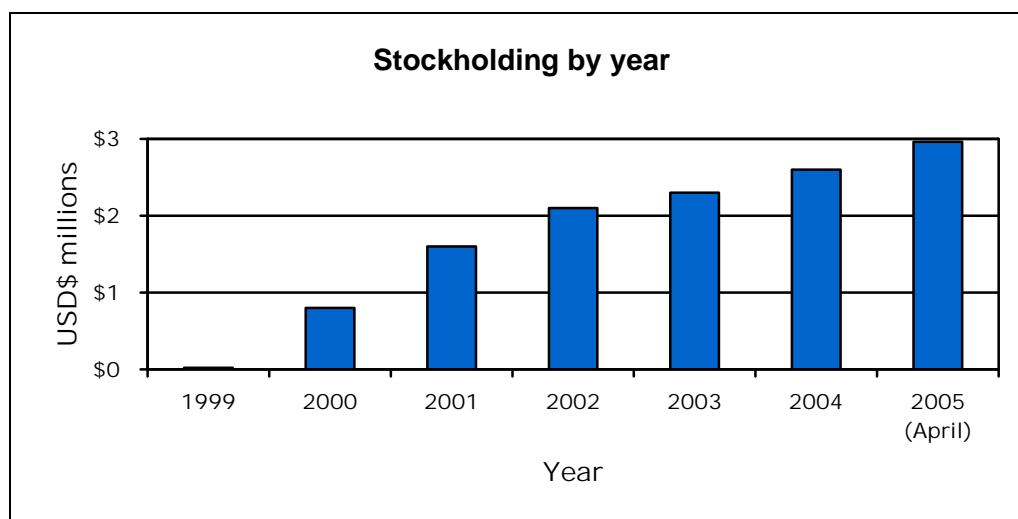
Recommendation 6: I recommend that WFP develop a robust cost identification model and basis for charging fees to enhance transparency and accountability before extending the principle of full cost recovery to other support functions.

Promoting more cost effective procurement in WFP

42. Country offices and project managers have responsibility to provide value for money when using donor funds. In making this judgement they have to balance a number of factors, particularly quality, availability and cost, in the light of the particular circumstances they face. To assist them in choosing the most appropriate procurement route within WFP, managers need quick access to good information. These choices are illustrated in one instance examined by my staff who noted that the Dubai procurement of 400 radios for a country office quoted a charge of US\$236,000 compared to an estimate from Headquarters of US\$157,000, a difference of 50 per cent. The main non-cost difference in the quotations was that the radios from Dubai were readily available fully assembled from stock whereas other suppliers required at least a four-week delivery.
43. In the 2004 report to senior management, the long-term agreements for Dubai procurement were to be added to the WFP Intranet, but at the time of our review in July 2005 this had not been completed.
44. In the period November 2004 to August 2005 my staff visited 12 field offices. They found that field offices were not fully aware of the procurement services available to them within the Organisation, for example, that offices could directly use long term agreements negotiated through headquarters to purchase equipment up to the value of delegated authority of the office or that the Dubai support office offers procurement of equipment directly delivered to country offices without storage or handling in UAE at an overhead charge of one and a half per cent rather than the full seven and a half per cent.

45. Effective cost comparison of multiple procurement sources requires that there is a standard specification for the goods or services to be provided. In 2005, the Secretariat undertook a comparison of equipment procured by headquarters against the same equipment procured elsewhere, including Dubai. This comparison had not been completed at the time of my staff's review but was severely hampered because of variation in specifications and suppliers used by the different procurement groups. To ensure the comparability of the costs data the specifications of standard equipment need to be regularly reviewed and updated based on the regular assessment of corporate operational need. This information must then be readily available to the operational managers who initiate the procurement process.
46. In a procurement model such as that operated by the Dubai support office it is essential that stock levels are reviewed regularly and remain in line with the identified operational needs. The costs of holding stock also need to be factored into the overall cost of the procurement. Chart 2 shows that the stock levels held in Dubai have increased steadily year on year and are now sufficient to set up at least 23 standard WFP sub-offices.

Chart 2: Growth in Dubai stockholdings by year



Source Dubai annual report 2004. Stock in 2005 varied with demand month on month from \$2 - \$3 million

Recommendation 7: I recommend that

- *procurement costs and delivery times be provided for benchmarking purposes from all the major procurement facilities at WFP, at least for the high volume or value equipment and those available under long-term agreements agreed locally or centrally;*
- *country offices and regional bureaux be informed of the alternatives of direct delivery of equipment by Dubai or direct purchase through long term agreements held at headquarters; and*
- *,the Secretariat ensure that the specifications of key equipment are regularly reviewed in terms of identified operational need.*
- *any proposals to expand further the scale of non food procurement through the Dubai support office are subject to a thorough cost benefit appraisal.*

Reporting And Performance Measurement

- *Dubai provides monthly and annual reports to senior management on its five separate operations – FITTEST, procurement, logistics, customer services and internal services.*
- *This report section considers the scope for enhanced performance measurement proposing performance indicators, measurement processes and assessment technique to assess operational efficiency and cost effectiveness of the operation in Dubai*

Performance Measurement

47. The Secretariat and FITTEST management wish to assess objectively their performance in terms of costs, speed and flexibility. Well-defined objectives provide the basis for setting key performance indicators and measures. Currently FITTEST enjoys a reputation for delivery success in emergency situations but there remains a need to measure performance objectively and communicate this to management and stakeholders.
48. My staff therefore considered how WFP could establish performance indicators for the Dubai operations to monitor achievements and drive improvement related to cost, to timeliness of delivery; and the effectiveness of use resources.

Recommendation 8: *I recommend that WFP consider the introduction of following performance indicators, measurement processes and assessment techniques:*

For assessment of operational efficiency in Dubai:

- *Emergency situations categorised and prioritised by the appropriate management as a high priority could be set a stringent timeframe for delivery of communications and equipment and the percentage of delivery against these timeframes reported as result-based measures; and,*
- *For less urgent projects, performance could be reported against service delivery criteria agreed in advance with recipients and donors.*

For consideration of cost effectiveness:

- *Dubai calculates a cost for retention of stock as part of its charging procedure. To allow informed assessment of cost effectiveness, the charge for stock retention should be reported and added to the cost of supply when comparison is made against other procurement units internal or external;*

For consideration of the effective use of resources:

- *A measure of staff utilisation*
- *The proportion of effort related to WFP operations*
- *A survey of customer satisfaction (both internal and external)*