DETERMINATION OF REGIONALIZATION POTENTIAL

To date, regionalization initiatives have addressed high-volume posts which had the highest payback for improvement. There is a need to gain agreement on a formal long-range plan so as to assess the priorities and costs. Accordingly, an assessment framework can be used to determine the candidate posts for centralization. Each post should be assessed, based on its historical performance and current capability. In parallel with this activity, potential posts that could serve as the central post should be identified. Using the assessment framework, the feasibility of linking the candidate posts to the central posts would need to be determined. From this exercise, the potential size and scope of regionalization could be determined.

The following five-step process is intended to lead directly to a decision on which financial administration activities should be centralized at a post. The steps are:

1. Identify the current financial administration requirements at the post under consideration, each of which corresponds to a financial activity now being performed at a post.

2. Determine, for each activity, whether the function could be regionalized, taking into account the country and post characteristics. This assessment of whether it is even practical to perform some of the activities at a location other than the post, is required before consideration of the related costs and benefits.

3. Based on financial management observations, inspections, audits and other reviews, determine whether each financial activity is currently being performed at the post in accordance with pre-established control and service standards.

   It should be noted that where a post has not met certain standards in recent years, it is not intended that this review simply be used as a "reminder" mechanism to give posts additional time to demonstrate the necessary standard. Rather, the fact that historically the standard has not been met is used as justification for considering the post for regionalization initiatives immediately.