



## **INTERNAL AUDIT DIVISION**

### **REPORT 2019/130**

---

#### **Audit of the management of the United Nations Peace and Development Trust Fund**

**Controls relating to governance and project management need to be strengthened to increase the impact of the Trust Fund's activities**

**18 December 2019  
Assignment No. AG2019/540/01**

# **Audit of the management of the United Nations Peace and Development Trust Fund**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of the management of the United Nations Peace and Development Trust Fund. The objective of the audit was to assess the adequacy and effectiveness of internal controls in ensuring effective management of the Trust Fund. The audit covered the period from May 2016 to April 2019 and included a review of risk areas relating to governance and project management.

The audit showed that the Executive Office of the Secretary-General (EOSG) and the Department of Economic and Social Affairs (DESA) conducted outreach activities to improve the visibility of the Trust Fund, organized brainstorming exercises with implementing entities, and complied with the donor reporting requirements. However, controls relating to governance and project management needed to be strengthened to increase the impact of the Trust Fund's activities.

OIOS made four recommendations. To address issues identified in the audit, EOSG and DESA needed to:

- Review the wide-ranging priority areas for the Trust Fund and explore the possibility of identifying a smaller number of selected focus areas for each year to improve the quality of project proposals and facilitate the design of flagship projects with a long-lasting impact;
- Develop guidelines on conducting evaluations for projects financed from the Trust Fund including criteria for selection of projects for evaluation and an annual budget for evaluations;
- Revisit the existing process for the review of project proposals relating to the Trust Fund and determine ways in which the process could be made more efficient to enhance the effectiveness of the Trust Fund's operations; and
- Develop appropriate criteria for projects relating to the Trust Fund that are undertaken without the endorsement by the Steering Committee.

EOSG and DESA accepted the recommendations and have initiated action to implement them.

# CONTENTS

	<i>Page</i>
I. BACKGROUND	1-2
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	2
III. AUDIT RESULTS	2-7
A. Governance	2-4
B. Project management	4-7
IV. ACKNOWLEDGEMENT	7
ANNEX I      Status of audit recommendations	
APPENDIX I   Management response	

# **Audit of the management of the United Nations Peace and Development Trust Fund**

## **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the management of the United Nations Peace and Development Trust Fund (hereafter referred to as “the Trust Fund”).

2. The Trust Fund was established in 2016 following the Administrative Arrangement signed between a donor and the United Nations according to which the donor pledged to contribute \$200 million to the Trust Fund over a ten-year period. The purpose of the Trust Fund was to provide financial support to: (a) the Executive Office of the Secretary-General (EOSG) to finance activities related to the maintenance of international peace and security; and (b) the Department of Economic and Social Affairs (DESA) to support the 2030 Sustainable Development Agenda. Accordingly, the Trust Fund had two sub-funds – the Secretary-General’s Peace and Security Sub-Fund administered by EOSG, and the 2030 Agenda for Sustainable Development Sub-Fund administered by DESA.

3. The purpose of the Secretary-General’s Peace and Security Sub-Fund was to: (a) support efforts of the Secretary-General towards the maintenance of international peace and security, including through support to mediation, preventive diplomacy, electoral assistance, and peacebuilding activities; (b) support United Nations-led international cooperation in such areas as counter terrorism, information and cyber security; and (c) support United Nations entities to fund and/or conduct joint activities, including research and study, with Member States or other partners, including regional and sub-regional organizations on international relations and related topics.

4. The purpose of the 2030 Agenda for Sustainable Development Sub-Fund was to: (a) support the work of the Secretary-General on global development issues; (b) support the implementation of the 2030 sustainable development agenda, including by supporting consultation at country level and reviews at regional and international levels; (c) support tripartite cooperation among the donor government, the United Nations and other parties in poverty alleviation, sustainable development, agriculture, environment protection, education, health and development of women, children and people with disabilities; (d) fund the United Nations entities to conduct study and research on South-South cooperation; (e) support events to facilitate sharing of knowledge and experiences in this regard; and (f) support conferences, meetings or other functions held by developing countries relating to the development agenda.

5. The Chef de Cabinet was designated as the programme manager of the Peace and Security Sub-Fund while the Under-Secretary-General for DESA was the programme manager of the 2030 Agenda for Sustainable Development Sub-Fund. The Secretary-General established a Steering Committee in 2016 to provide advice and assistance in: (a) identifying and prioritizing among projects and activities to be funded from the Trust Fund; (b) identifying adjustments to the amount of funds to be maintained in the Trust Fund; and (c) monitoring and evaluating projects and activities funded from the Trust Fund. The Steering Committee consisted of five members including the Chef de Cabinet (as Chairperson), the Under-Secretary-General for DESA, and three representatives from the donor.

6. EOSG and DESA implemented projects under the Trust Fund through implementing entities (offices and departments in the United Nations system). Based on the Administrative Arrangement, EOSG and DESA developed guidelines for implementing the Trust Fund’s activities.

7. Table 1 shows the total income and expenditure for the two sub-funds for the period 2016-2018.

**Table 1: Income and expenditure of sub-funds of the Trust Fund**

Sub-fund name	Income (\$)			Expenditure* (\$)		
	2016	2017	2018	2016	2017	2018
Secretary-General's Peace and Security sub-fund	10,000,000	10,000,000	10,000,000	3,634,126	8,822,964	9,314,065
2030 Agenda for Sustainable Development sub-fund	10,000,000	10,000,000	10,000,000	8,035,996	8,837,609	9,775,827

\*Note: Expenditure includes funds committed for approved projects.

8. Both sub-funds were administered by management teams in EOSG and DESA and reported to the Chief, Management and Administration and Executive Officer in EOSG and the Chief, Capacity Development Programme Management Office in DESA, respectively. Each management team comprised two professionals at P-5 and P-4 level funded from the Trust Fund.

9. Comments provided by EOSG and DESA are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

10. The objective of the audit was to assess the adequacy and effectiveness of internal controls in ensuring effective management of the United Nations Peace and Development Trust Fund.

11. This audit was included in the 2019 risk-based work plan of OIOS due to the risk that potential weaknesses in management of the Trust Fund could adversely affect the achievement of its objectives and may have an adverse impact on donor confidence as well as the Organization's reputation.

12. OIOS conducted this audit from June to September 2019. The audit covered the period from May 2016 to April 2019. Based on an activity-level risk assessment, the audit covered risk areas in the management of Trust Fund which included: (i) governance; and (ii) project management.

13. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; (d) sample testing of transactions. Using the stratified sampling method, OIOS selected 30 projects for detailed review. These projects involved an expenditure of \$25 million out of a total of 60 projects in 2016-2018 aggregating \$45.5 million.

14. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

## **III. AUDIT RESULTS**

### **A. Governance**

Need to review the wide-ranging priority areas of the Trust Fund to achieve a sharper focus

15. According to the Administrative Arrangement, the purpose of the Trust Fund was to foster the United Nations' leadership for promotion of international cooperation to support peace activities and support international cooperation for the achievement of the Sustainable Development Goals. EOSG and DESA developed guidelines for the Trust Fund and identified 16 priority areas for the respective sub-funds, such as mediation, preventive diplomacy, peacekeeping, counter-terrorism, cybersecurity, agriculture,

poverty eradication, environmental protection, and support for implementing the memorandum of understanding between the donor government and DESA on the Belt and Road Initiative. During the second meeting of the Steering Committee held on 27 October 2017, the Chair emphasized that identification of the Trust Fund’s priorities should be an ongoing process, and the donor representative stressed the need to build a brand and develop flagship projects for the Trust Fund and also increase the number of cross-functional projects that a had bigger impact on fulfilling the mandate of the Organization.

16. During the review period, in response to the call for proposals, EOSG and DESA received around 400 project proposals from the implementing entities out of which 60 proposals were approved. Out of the 60 approved projects, 35 related to the Peace and Security Sub-Fund and 25 related to the 2030 Agenda for Sustainable Development Sub-Fund, covering the 16 priority areas of the Trust Fund. Table 2 shows the distribution of project proposals received and approved between 2016 and 2018.

**Table 2: Number of project proposals received and approved**

Particulars	2016		2017		2018	
	EOSG	DESA	EOSG	DESA	EOSG	DESA
Proposals received	44	110	51	116	57	35
Proposals approved	5	8	10	7	20	10
Percentage approved	11	7	20	6	35	28

17. The wide-ranging priority areas in the Trust Fund attracted a great number of project proposals which in turn resulted in EOSG and DESA spending a considerable amount of time to review them. The quality of project proposals received from implementing entities was not always of the desired level which was evident from low level of proposals approved. EOSG and DESA stated that the reason for identifying a wide range of priority areas was to give implementing entities the opportunity to submit proposals that fit into any of the priority areas without restriction. The goal of building a brand and developing flagship projects was challenging because the Trust Fund relied on implementing entities to design and develop projects.

18. EOSG and DESA received on average about 50 and 90 proposals per year, respectively. Due to the wide range of the priority areas, EOSG and DESA could not highlight the specialized focus items under each priority area to guide implementing entities to come up with robust proposals that could be readily identifiable with the Trust Fund. Setting a smaller number of focused priority areas, or suggesting specific areas for prioritization during a given year, could encourage implementing entities to focus their project proposals on the identified focus areas and allow the development of flagship projects to build the Trust Fund’s distinct identity. For example, the Steering Committee could select or rotate a few priority areas for each year instead of calling for proposals for all the 16 priority areas every year.

19. In the second meeting of the Steering Committee held in June 2018, the donor had recommended an improvement in the quality and formulation of project proposals. OIOS is of the view that EOSG and DESA need to review the wide-ranging priority areas in consultation with the donor and come up with more specific focus areas to enable the implementing entities to design flagship projects with a long-lasting impact and better prospects of sustainability beyond the project duration.

**(1) EOSG and DESA, in consultation with the donor, should review the wide-ranging priority areas for the United Nations Peace and Development Trust Fund and explore the possibility of identifying a smaller number of selected focus areas for each year to improve the quality of project proposals and facilitate the design of flagship projects with a long-lasting impact.**

*EOSG and DESA accepted recommendation 1 and stated that in consultation with the donor, they shall explore the possibility of identifying a smaller number of selected focus areas for each year. Recommendation 1 remains open pending the outcome of the review on priority areas for the Trust Fund with the donor.*

#### Outreach activities of the Trust Fund were adequate

20. The guidelines issued for the Trust Fund outlined the need to conduct outreach activities to improve the visibility of the Trust Fund's operations. To this effect, EOSG and DESA designed a public website which, among other things, provided information about the Trust Fund, the projects funded from it, and how to apply for funding. At the time of the audit, EOSG and DESA were in the process of upgrading the website to provide additional information, besides exploring other outreach avenues such as submitting stories to United Nations News for publication and the use of social media. Based on the initiatives taken by EOSG and DESA, OIOS concluded that outreach activities relating the Trust Fund were adequate.

#### Need to develop guidance on monitoring and evaluation

21. The Administrative Arrangement provided for financing of evaluation activities from the Trust Fund and stated that the Steering Committee may suggest matters to be prioritized for each evaluation. The focus of such evaluation was: (i) to ascertain the success of the activities in meeting the objectives of the Trust Fund; and (ii) to determine where resources from the Trust Fund had or will have the most programmatic impact. In the Steering Committee meeting held on 14 June 2018, the donor emphasized the need for timely review and evaluation of ongoing projects using measurable performance indicators.

22. At the time of the audit, 8 projects were completed but they were yet to be evaluated. Nevertheless, EOSG and DESA organized three field visits (one in 2018 and two in 2019) to the project sites and prepared reports on those visits. EOSG and DESA stated that according to the guidelines, implementing entities assume primary responsibility for evaluation of projects in accordance with United Nations policies, and that the management team of each sub-fund reserved the right to conduct its own evaluation of the project. EOSG and DESA acknowledged the need to develop further guidance on criteria for selection of projects for evaluation and developing an annual budget for evaluations.

**(2) EOSG and DESA should develop guidelines on conducting evaluations for projects financed from the United Nations Peace and Development Trust Fund including criteria for selection of projects for evaluation and an annual budget for evaluations.**

*EOSG and DESA accepted recommendation 2 and stated that they will work together to develop guidelines on monitoring and evaluation of projects funded by the Trust Fund. The current guidelines for the Trust Fund will be updated to include specific provisions on monitoring and evaluation. Recommendation 2 remains open pending receipt of guidelines on conducting evaluations for projects funded from the Trust Fund, including criteria for selection of projects for evaluation and an annual budget for evaluations.*

## **B. Project management**

#### Need to improve the efficiency of the project proposal review process

23. According to the Administrative Arrangement and the related guidelines for the Trust Fund, calls for project proposals from implementing entities constituted the first step in the project selection process. In response, implementing entities submitted their proposals to the management teams of EOSG and DESA

who conducted an initial review and short-listed the projects based on an established matrix for assessment and scoring of project proposals. A short list from this review was prepared and submitted to the donor for review. Upon the donor's confirmation of the proposals it would like to fund, this list along with the long list was submitted to the Chef de Cabinet. The Chef de Cabinet then sent a note verbale to the donor with the list of initially agreed project proposals to formally confirm their selection. Upon the donor's confirmation, the list was submitted to the Steering Committee for review and endorsement. Thereafter, the endorsed list was submitted to the Secretary-General for approval.

24. OIOS' review of selected projects indicated that the average time taken from the receipt of proposals from the implementing entities to approval by the Secretary-General ranged from 125 to 253 days (an average of 188 days, or 6 months). Upon approval of project proposals, implementing entities were required to submit a project document within two months for further review by the management teams, prior to disbursement of funds. Project implementation commenced after review and approval of project documents by the management teams. On average, it took 8 months from the date of receipt of project proposals to start implementing a project under the Trust Fund.

25. EOSG and DESA stated that they followed the review process envisaged in the Administrative Arrangement and guidelines. According to the terms of reference of the Steering Committee, its purpose was to advise and assist the Secretary-General in identifying priorities for projects and the related activities. The Steering Committee was to meet regularly in person or telephonically as and when required, but not less than semi-annually. During the review period, the Steering Committee met three times – twice in 2017 and once in 2018; it had not met since June 2018. EOSG and DESA stated that due to the high-profile composition of the Steering Committee members, finding a convenient time for all concerned parties to meet was a challenge. Consequently, project proposals received in February 2019 were yet to be endorsed by the Steering Committee.

26. The lengthy review process, coupled with a low approval rate of project proposals, led to underutilization of the Trust Fund resources. At the time of the audit, the unspent balance for both sub-funds stood at approximately \$6 million.

27. EOSG and DESA need to determine ways in which the efficiency of the project proposal review process could be improved so that the Organization's interventions through the Trust Fund's activities are timelier and more effective.

**(3) EOSG and DESA, in consultation with the donor, should revisit the existing process for the review of project proposals relating to the United Nations Peace and Development Trust Fund and determine ways in which the process could be made more efficient to enhance the effectiveness of the Trust Fund's operations.**

*EOSG and DESA accepted recommendation 3 and stated that they will revisit internal procedures and consult with the donor to explore ways to improve the existing review process of project proposals. Recommendation 3 remains open pending the review of the current process for scrutiny of project proposals.*

#### EOSG and DESA had conducted brainstorming exercises with implementing entities

28. In the second meeting of the Steering Committee held in October 2017, the Chair had encouraged the management teams to strengthen partnerships with implementing entities to strive for a more strategic vision that was ambitious, consolidated and cross-cutting. The EOSG management team had conducted the first brainstorming exercise in June 2019 with 20 participants from seven implementing entities. The aim was to assess lessons learned from previously implemented and ongoing projects, and to increase the

number of cross-functional and multi-year projects with long-lasting impact. This also aimed to improve the quality and depth of projects funded by the Trust Fund following a recommendation by the donor.

29. The DESA management team had also conducted the first annual meeting with the implementing entities of ongoing and newly launched projects on 29 January 2019 with 27 participants from 13 funded projects teams. The aim was to improve the projects' implementation performance by sharing lessons learned from completed projects, clarifying the standard operating procedures and the guidelines of the Sub-Fund, and creating a network for sharing experiences across all projects. DESA stated that the initiative was positively welcomed by the participating projects and it would be repeated on an annual basis.

Need to develop guidelines for projects undertaken without the endorsement of the Steering Committee

30. The Administrative Arrangement allowed for implementing projects without the endorsement by the Steering Committee in emergency situations, after consultation with the donor. Such projects were of two types: (i) off-cycle projects wherein projects are implemented without the normal review process after obtaining the concurrence of the donor (a practice followed by DESA); and (ii) emergency projects implemented without the normal review process from the overall annual pool of funds approved by the donor (a practice followed by EOSG).

31. During the period under review, two off-cycle and four emergency projects amounting to \$2.3 million were implemented without the endorsement of the Steering Committee. Two projects amounting to \$2 million related to the 2030 Agenda for Sustainable Development Sub-Fund and four projects amounting to \$267,146 were from the Peace and Security Sub-Fund as shown in Table 3.

**Table 3: Details of off-cycle and emergency projects**

Sub-Fund	Project title	Project Amount (\$)	Period	Project type	Major activities
2030 Agenda for sustainable development	Strengthening DESA's capacity for policy analysis and knowledge production: support to the High-Level Advisory Board on Economic and Social Affairs	830,153	2018	Off-cycle	Organize four board meetings and four sub-group meetings.
	Promoting Sustainable Investments along the Belt and Road by Strengthening Partner Countries' Capacities and Establishing a Network of Sustainable Investment Promotion	1,119,311	2018	Off-cycle	Organize investment forum dialogue, diagnostic study, technical advisory services and training programmes
Peace and Security	Peace efforts in West Africa	4,891	2017	Emergency	Political negotiations
	Peacekeeping fatalities and injuries due to violent acts	107,095	2017	Emergency	Consultants and travel
	Supporting the drafting, launch and dissemination of the report of the Secretary-General's High-Level Panel on Digital Cooperation	85,155	2019	Emergency	Consultants and travel
	Third implementation workshop for improvement of security of peacekeepers – Entebbe workshop	70,005	2019	Emergency	Workshop

32. On average, around 20 per cent of selected projects of the Trust Fund were implemented without the endorsement of the Steering Committee. Out of the 10 projects executed by EOSG in 2017, endorsement of the Steering Committee was not obtained for two projects. Same was the case with DESA (out of 10 projects in 2018, two were executed without the endorsement of the Steering Committee). Since it is conceivable that the number of off-cycle or emergency projects could increase in future, EOSG and

DESA need to develop appropriate criteria for undertaking such projects as a compensatory control because these projects are not subjected to the normal endorsement process by the Steering Committee.

**(4) EOSG and DESA should develop appropriate criteria for projects relating to the United Nations Peace and Development Trust Fund that are undertaken without the endorsement by the Steering Committee.**

*EOSG and DESA accepted recommendation 4 and stated that they will develop a set of criteria for urgent projects that do not follow the regular cycle, and are thus not endorsed by the Steering Committee of the Trust Fund. Recommendation 4 remains open pending receipt of documentation showing the criteria for projects that can be undertaken without the endorsement by the Steering Committee.*

Donor reporting requirements were complied with

33. According to the Administrative Arrangement, EOSG and DESA were required to provide reports to the donor on Trust Fund activities such as annual cost plan approved by the Secretary-General, and an annual report summarizing the nature, activities and outcome of the projects undertaken. EOSG and DESA submitted annual cost plans to the donor and published an annual report on the activities of the Trust Fund. The annual report highlighted the activities of both sub-funds and included details such as projects approved in prior years, progress of approved projects, implementing entities to whom calls for proposal were sent, and the matrix used to review project proposals. EOSG and DESA monitored the reporting requirements from implementing entities. OIOS therefore concluded that EOSG and DESA complied with the donor's reporting requirements for the Trust Fund.

#### **IV. ACKNOWLEDGEMENT**

34. OIOS wishes to express its appreciation to the management and staff of EOSG and DESA for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns  
Director, Internal Audit Division  
Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the management of the United Nations Peace and Development Trust Fund

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	EOSG and DESA, in consultation with the donor, should review the wide-ranging priority areas for the United Nations Peace and Development Trust Fund and explore the possibility of identifying a smaller number of selected focus areas for each year to improve the quality of project proposals and facilitate the design of flagship projects with a long-lasting impact.	Important	O	Receipt of the outcome of the review on priority areas for the Trust Fund with the donor.	31 October 2020
2	EOSG and DESA should develop guidelines on conducting evaluations for projects financed from the United Nations Peace and Development Trust Fund including criteria for selection of projects for evaluation and an annual budget for evaluations.	Important	O	Receipt of guidelines on conducting evaluations for projects funded from the Trust Fund, including criteria for selection of projects for evaluation and an annual budget for evaluations.	30 September 2020
3	EOSG and DESA, in consultation with the donor, should revisit the existing process for the review of project proposals relating to the United Nations Peace and Development Trust Fund and determine ways in which the process could be made more efficient to enhance the effectiveness of the Trust Fund's operations.	Important	O	Review of the current process for scrutiny of project proposals.	31 December 2020
4	EOSG and DESA should develop appropriate criteria for projects relating to the United Nations Peace and Development Trust Fund that are undertaken without the endorsement by the Steering Committee.	Important	O	Receipt of documentation showing the criteria for projects that can be undertaken without the endorsement by the Steering Committee.	30 June 2020

<sup>1</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>3</sup> C = closed, O = open

<sup>4</sup> Date provided by EOSG and DESA in response to recommendations.

# **APPENDIX I**

## **Management Response**

TO: Mr. Gurpur Kumar, Deputy Director  
A: Internal Audit Division  
Office of Internal Oversight Services

DATE: 16 December 2019

THROUGH:  
S/C DE:

FROM: Maria Luiza Ribeiro Viotti  
DE: Chef de Cabinet



SUBJECT: **Draft Report on an Audit of the Management of the United Nations Peace and  
OBJET: Development Trust Fund (Assignment No. AG2019/540/01**

1. With reference to your inter-office memorandum dated 2 December 2019 on the above-mentioned subject, we are pleased to inform that the Executive Office of the Secretary-General and the Department Economic and Social Affairs welcome the findings and recommendations of the audit conducted by the Office of Internal Oversight Services of the United Nations Peace and Development Trust Fund and appreciate the opportunity to provide comments on the draft report.

2. Regarding the overall report, we are submitting a consolidated document with the comments of both EOSG and DESA, including an action plan with target dates for implementing the recommendations. Please rest assured that actions are already being taken on both sides to ensure the smooth implementation of the OIOS recommendations.

3. We would like to take this opportunity to thank the audit team for undertaking this assignment with the utmost professionalism and look forward to collaborating with OIOS in the future.

cc: Mr. Liu Zhenmin, Under-Secretary-General for Economic and Social Affairs  
Mr. Arnab Roy, Office of the Chef de Cabinet, EOSG  
Ms. Ann de la Roche, Chief Management and Administration,  
Executive Officer, EOSG  
Mr. Haitian Lu, Chief Capacity Development Office, DESA  
Mr. Mario Tuason, Executive Officer, DESA  
Ms. Cynthia Avena-Castillo, Professional Practices Section,  
Internal Audit Division, OIOS

## Management Response

## Audit of the management of the United Nations Peace and Development Trust Fund

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	EOSG and DESA, in consultation with the donor, should review the wide-ranging priority areas for the United Nations Peace and Development Trust Fund and explore the possibility of identifying a smaller number of selected focus areas for each year to improve the quality of project proposals and facilitate the design of flagship projects with a long-lasting impact.	Important	Yes	Senior Programme Officers in both EOSG and DESA	31 October 2020	EOSG and DESA accept the recommendation and in consultation with the donor shall explore the possibility of identifying a smaller number of selected focus areas for each year.
2	EOSG and DESA should develop guidelines on conducting evaluations for projects financed from the United Nations Peace and Development Trust Fund including criteria for selection of projects for evaluation and an annual budget for evaluations.	Important	Yes	Senior Programme Officers in both EOSG and DESA	30 September 2020	EOSG and DESA accept the recommendation and will work together to develop guidelines on monitoring and evaluation of projects funded by UNPDF. The current guidelines for the Trust Fund will be updated by the end of the first quarter of 2020 to include specific provisions on monitoring and evaluation.
3	EOSG and DESA, in consultation with the donor, should revisit the existing process for the review of project proposals relating to the United Nations Peace and Development Trust Fund and determine ways in which the process could be made more efficient to enhance the effectiveness of the Trust Fund's operations.	Important	Yes	Senior Programme Officers in both EOSG and DESA	31 December 2020	EOSG and DESA accept the recommendation and will revisit internal procedures, consult with the donor to explore ways to improve the existing review process of project proposals

<sup>1</sup> Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

<sup>2</sup> Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

### Management Response

#### Audit of the management of the United Nations Peace and Development Trust Fund

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
4	EOSG and DESA should develop appropriate criteria for projects relating to the United Nations Peace and Development Trust Fund that are undertaken without the endorsement by the Steering Committee.	Important	Yes	Senior Programme Officers in both EOSG and DESA	30 June 2020	EOSG and DESA accept this recommendation and will develop a set of criteria for urgent projects that do not follow the regular cycle, thus not endorsed by the Steering Committee of the Trust Fund.