



# **INTERNAL AUDIT DIVISION**

## **REPORT 2020/053**

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### **Audit of the United Nations Trust Fund for Human Security**

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

**14 December 2020  
Assignment No. AG2020-615-01**

# **Audit of the United Nations Trust Fund for Human Security**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Trust Fund for Human Security. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring effective management of the Trust Fund. The audit covered the period from 1 January 2017 to 31 December 2019 and covered risk areas relating to: (i) governance and oversight; and (ii) programme management.

The Human Security Unit complied with donor reporting requirements and had initiated action to mainstream Sustainable Development Goals in its programme of work. However, controls relating to governance and programme management need to be strengthened to increase the impact of the Trust Fund's activities.

OIOS made seven recommendations. To address the issues identified in the audit, the Special Adviser of the Secretary-General on Human Security and the Human Security Unit needed to:

- Strengthen the governance of the Trust Fund by ensuring that meetings of the Advisory Board are held on a regular basis to address key issues relating to the Trust Fund, including its sustainability;
- Ensure that programme proposals include SMART (specific, measurable, achievable, relevant, time bound) key performance indicators to enable objective assessment of the impact of programme activities;
- Strengthen coordination among implementing partners by: ensuring that programme proposals identify the interdependencies and related mechanisms for effective coordination during programme implementation; and monitoring programme implementation to ensure that issues concerning coordination are identified and addressed in a timely manner;
- Strengthen the risk assessments conducted by implementing partners by: providing additional guidance as necessary; and more rigorous scrutiny of programme proposals to ensure that all foreseeable risks are duly considered and mitigated as appropriate;
- Establish a mechanism to ensure that due diligence checks on each non-United Nations implementing partner are adequately conducted and documented before the approval of programmes;
- In consultation with the Executive Office of the Secretary-General, revisit the existing process and timelines for the review and approval of programme proposals relating to the Trust Fund and determine ways in which the process and timelines could be made more efficient to enhance the effectiveness of the Trust Fund's operations; and
- Develop guidelines on conducting independent evaluations for completed programmes financed from the Trust Fund, including criteria for selection of programmes for evaluation and an annual budget for evaluations; and include the lessons learned from evaluations in its annual report to donors.

The Human Security Unit accepted the recommendations and has initiated action to implement them.

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# **Audit of the United Nations Trust Fund for Human Security**

## **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Trust Fund for Human Security (hereafter referred to as “the Trust Fund”).
2. Established in 1999 by the Executive Office of the Secretary-General (EOSG), the Trust Fund finances activities carried out by the United Nations system to deliver comprehensive, cross-sectoral and preventive responses to complex and multidimensional challenges. According to the founding terms of reference, the Fund supports activities, particularly at the local level, in areas such as poverty alleviation, environmental problems, transnational crimes, refugees, human rights, infectious diseases, anti-personnel landmines, and children in armed conflict.
3. The Trust Fund supported multi-agency, multi-year programmes that realize benefits to vulnerable people and communities threatened in their survival, livelihood and dignity. In 2012, General Assembly resolution 66/290 defined human security as an approach to assist Member States in identifying and addressing widespread and cross-cutting challenges to the survival, livelihood and dignity of their people. It called for people-centered, comprehensive, context-specific and prevention-oriented responses that strengthen the protection and empowerment of all people.
4. The Trust Fund’s resources consist of voluntary cash contributions from donors, currently only the Government of Japan. Parties who agree to the terms provided in the guidelines for the Trust Fund are eligible to become donors. The Trust Fund is governed by the Advisory Board on Human Security (hereafter referred to as “the Advisory Board) established by the Secretary-General comprising of up to ten members consisting of representatives of the donors, the Special Adviser of the Secretary-General on Human Security (or “Special Adviser”), one representative from EOSG, three experts in human security, and two representatives of United Nations agencies, funds and programmes. The Trust Fund is headed by the Special Adviser and administered by the Human Security Unit (HSU) in New York.
5. As of 31 December 2019, the Trust Fund had supported 258 programmes since inception, totaling an expenditure of \$469 million distributed in more than 100 countries. The 2019 financial statements showed \$29 million in assets, \$9.5 million in revenue and \$8.9 million in expenditure. HSU consisted of six staff and its operating costs for 2019 were \$1.5 million.
6. Comments provided by HSU are incorporated in italics.

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

7. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring effective management of the Trust Fund.
8. This audit was included in the 2020 risk-based work plan of OIOS due to risk that potential weaknesses in management of the Trust Fund could affect the achievement of the intended objectives.
9. OIOS conducted this audit from June to September 2020. The audit covered the period from 1 January 2017 to 31 December 2019. Based on an activity-level risk assessment, the audit covered risk areas relating to: (i) governance and oversight; and (ii) programme management.

10. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) judgmental sample testing.

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

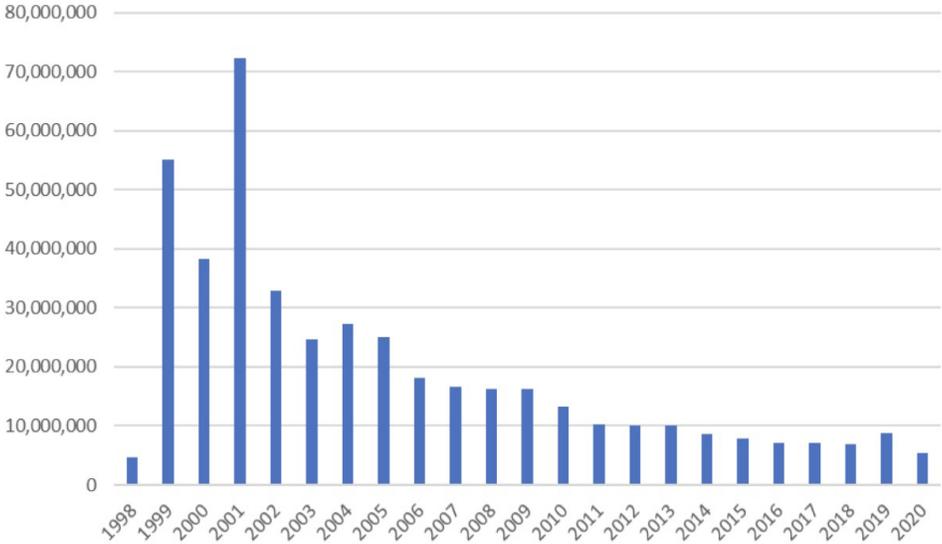
### III. AUDIT RESULTS

#### A. Governance and oversight

Contributions to the Trust Fund had decreased during the last several years

12. Donor contributions to the Trust Fund during the period 1998-2020 totaled \$442.3 million, of which the Government of Japan donated \$441.95 million (99.9 per cent). Donations from other countries amounted to \$0.3 million in the same period. The Trust Fund has registered a decline in contributions in the last 19 years. Donor contributions reached a peak of \$72 million in 2001, but fell to \$5.5 million in 2020, as shown in Figure 1.

**Figure 1: Donor contributions to the Trust Fund during the period 1998-2020**



Source: Annual Report for 2018 and updates for 2019 and 2020

13. The Trust Fund was largely funded by a single donor and the trend of decreasing contributions continued over the years. Further, the Trust Fund had broad objectives which overlapped with the activities of other entities/departments. HSU explained that it had drafted several position papers for EOSG and the Government of Japan to expand the support for, and sustainability of, the Trust Fund. Despite these efforts, the donor base could not be expanded.

The Advisory Board needs to hold meetings and play its governance role effectively

14. The Advisory Board is an independent body that was established to advise the Secretary-General on: (a) the strategic orientation of the Trust Fund; (b) methods to expand the impact of programmes and activities funded by the Trust Fund; and (c) ways to promote and disseminate the human security approach

and deepen its understanding and acceptance worldwide, including application of human security to key global priorities, and implementation of Agenda 2030 and the Sustainable Development Goals. The Advisory Board's overall responsibility includes resource mobilization to ensure the sustainability of the Trust Fund. Its functions also include: (i) identifying thematic priorities for programme selection; (ii) recommending methods for promoting the impact, ensuring transparency, and raising the visibility of the Trust Fund's programmes and other activities; (iii) reviewing the performance and management of the Trust Fund, including reporting and evaluating the results achieved; and (iv) providing feedback on the annual plan of HSU for the Trust Fund.

15. An active and engaged Board is essential for effective governance of the Trust Fund. According to its terms of reference (TOR) approved in December 2019, the Advisory Board is required to meet once in a calendar year; it may convene on an ad-hoc basis by videoconference to consider specific issues on the recommendation of the Chair or the Special Adviser. A quorum of no less than six members is required for its meetings.

16. Prior to issuance of the TOR in December 2019, the last meeting of the Advisory Board was in November 2017. The Advisory Board had not held any meetings in 2018 and 2019. The Board's new membership was endorsed in January 2020. The initial meeting of the re-constituted Advisory Board was originally expected to take place in March 2020 but was postponed due to the COVID-19 pandemic. Eventually, the Board held a virtual meeting in September 2020.

17. With the issuance of formal TOR and appointment of the new membership, it is essential that the Board meets as frequently as necessary to fulfill its role in effective governance of the Trust Fund, including issues relating to its sustainability.

**(1) The Special Adviser of the Secretary-General on Human Security should strengthen the governance of the Trust Fund for Human Security by ensuring that meetings of the Advisory Board are held on a regular basis to address key issues relating to the Trust Fund, including its sustainability.**

*HSU accepted recommendation 1 and stated that the Special Adviser will ensure the Board meets regularly in the future for effective governance. Recommendation 1 remains open pending receipt of evidence of regular meetings of the Advisory Board to address key issues relating to the Trust Fund, including its sustainability.*

## **B. Programme management**

### Need to improve performance, outcome and impact indicators of programmes

18. HSU guidelines require indicators in the programme work plan and results template with adequate baselines and targets. The guidelines also require the narrative report to present the overall strategic impact of the programme in advancing the human security approach. Measurable outcomes and impact help organizations understand a programme's benefits, even when they were not immediately realized.

19. OIOS' review of 23 programmes implemented during 2017 to 2019 showed that implementing partners' progress reports outlined the activities conducted, tasks completed, and milestones reached at a point in time. Work plan and results monitoring templates were prepared for each programme. However, the progress reports were not linked to the work plans and did not adequately reflect the progress against the identified targets and their connection to the overall objective. The indicators were not consistently specific, measurable, achievable, relevant and time bound (SMART). Targets were not always measurable

and reliably tracked to assess whether they had achieved the desired impact for the programme. The final assessment reports also did not always indicate quantitative performance indicators. Further, several targets relating to various programmes were not met or were not measurable for various reasons (see examples provided in Table 1).

**Table 1: Examples of indicators and targets that were not based on the SMART principle**

<b>Programme</b>	<b>Objectively verifiable indicators</b>	<b>Target</b>	<b>OIOS comments</b>
IOM-AS-18-002 Pacific Islands	A list of recommendations on how migration should be incorporated into the "Pacific specific indicators" is submitted to the Pacific Sustainable Development Goals taskforce.	Yes*	The target is not measurable. Also, it is not clear how the list of recommendations would be verified, and what the target was. Also, no timeline was provided.
	Number of people benefiting from people-centered activities.	To be based on the country reports and action-plan.	The indicator is not specific. No timeline was provided.
	Number of labour migrants in the Recognized Seasonal Employers Scheme and Australia Seasonal Workers Programme.	Increase in women's participation by the end of the project.	The indicator is not specific.
	Number of labour migrants participating in the New Zealand Recognized Seasonal Employers Scheme and Australia Seasonal Workers Programme.	Development of a plan of action.	The indicator is not specific. No timeline was provided.
RCO-AF-18-003 Morocco	Percentage of trained journalists, media students and representatives of media institutions that claim to have better competencies on migration.	80 percent of the trained participants.	It is unclear as to how many participants were expected or targeted.
	Presence of sensitization videos in different languages.	Yes	Target is not specific. It is unclear as to how many languages were involved. Timeline was not provided.
	Existence of a digital communication plan.	30	Indicator is not specific; no timeline was provided.
IOM-F-17-001 Somália	Presence of the validated and finalized Human Security Handbook.	Yes	Target is not measurable. It was unclear where the handbook would be presented, and for whom. Timeline was not provided.
	Assessment for priority intervention manifested in comprehensive Community Action Planning.	1	Indicator is not specific. Timeline was not provided.
UDP-AF-18-004 Nigeria	Openness towards sedentary development among herding communities.	10 per cent of targeted individuals self-report as being open to sedentary livestock farming.	Indicator is not specific. Timeline was not provided. Quantification of target was not clear.
	Understanding (by legislation) of gaps and opportunities in legal framework to promote.	Support the Government to harmonize and synergize legislations on farming and pastoralism.	Indicator is not specific, and the target is not quantifiable. Timeline was not provided.

\*Note: HSU stated that 'Yes' indicated that the recommendations had been submitted and the activity was completed.

20. Furthermore, the programme proposals reviewed during the audit showed that they did not include measurable outcomes and impact. By identifying programme outcomes, implementing partners could define success early, execute activities more likely to generate a significant impact to the programmes, and more easily measure and demonstrate results. Outcomes are particularly useful in programmes that lasted longer than a year because they gave the implementing partners an opportunity to assess progress reliably

and make changes where necessary. The partners' final reports showed the impact of the programmes in narrative format, but it was not verifiable or measurable. Table 2 shows examples of outcomes and impacts that were not verifiable or measurable.

**Table 2: Examples of outcomes and impacts in final reports that were not verifiable or measurable**

<b>Programme</b>	<b>Outcomes and Impact</b>	<b>Targets</b>
UDP-AF-13-001 Chad	The remarkable positive impact is organizational capacity at the local level around the achievements of this project, including around drilling, around the centers of live better and market gardeners' wells.	Not indicated
	The effects in terms of changes in the market of gardening practices are noticeable: the use of improved vegetable seeds, more sustainable and more efficient use of means of dewatering, a better mastery of the techniques of production, etc. Improving producer access to the means of production has helped increase the production in some villages of the project.	Not indicated
	In summary, we can say that the project has contributed to: a. Improved producer access to the means of production; b. The capacity-building of local actors; c. The improvement of access to basic social services; d. Improving the dynamics of community relations and social cohesion; and e. The promotion of gender equality.	Not indicated
UN-AF-15-007 Tunisia and Mauritania	The impact of the project was good as it was developed prevention-oriented, people-centered, multi-sectoral, context-specific and comprehensive Disaster Risk Reduction strategies and action plans informed by sound disaster risk assessments. This ensured that 30 ranking criteria rating the strategies were relevant to the specific context and needs of the population under consideration.	Not indicated
	One main positive impact of the programme is to reassert the relevance and legitimacy of the Human Security approach, coupled with the Disaster Risk Reduction and other international frameworks, to address various complex threats, shocks and stresses that manifest themselves at the local, and even sub-local levels.	Not indicated
HAB-ME-16-002 Lebanon	Human security and safety have considerably been enhanced. The upgrading projects' vast impact in enhancing the economic situation, finding jobs, reducing child labour, directing youth away from violence, decreasing tensions between neighbourhoods, and empowering vulnerable families. Social inclusion and cohesion between the different communities have been significantly improved.	Not indicated

21. HSU stated that it made efforts to ensure that indicators were based on the SMART principle, but acknowledged that some of them needed significant improvement and were working with implementing partners to do so.

**(2) The Human Security Unit should ensure that programme proposals include SMART key performance indicators to enable objective assessment of the impact of programme activities.**

*HSU accepted recommendation 2 and stated that it recognizes the importance of SMART key performance indicators to assess progress reliably, to make changes where necessary, and to assess the overall impact of the programme. HSU has already started the process of updating the programme officer manual to ensure stronger oversight of the quality of SMART key performance indicators during the preparation of programme proposals and in annual progress reports. HSU will continue to ensure compliance with these standards by the recipient United Nations organizations. Recommendation 2 remains open pending receipt of evidence of programme proposals that include SMART key performance indicators.*

Coordination among implementing partners needed to be strengthened

22. HSU guidelines state that once all components of a joint programme common work plan were agreed to by local partners and each of the participating United Nations agencies, roles and responsibilities for coordination of the various interventions and for producing a single aggregated/consolidated report should be documented. HSU also encouraged the participation of a broad range of stakeholders to capitalize on their expertise and effectively address multiple human security issues.

23. OIOS’ review of 23 programmes showed that on average, there were three implementing partners per programme. There were challenges in implementing a coordinated approach between some of them, besides issues with synergies. Some partners implemented their activities independently from each other or worked at a different pace than others, which resulted in delays in certain cases. Generally, implementing partners lacked standardized operating procedures; coordination was not effective in some cases due to inadequate communication. Table 3 shows some examples of programmes where there were issues with coordination.

**Table 3: Examples of coordination issues identified in the Trust Fund’s programmes**

<b>Programme</b>	<b>Coordination issues</b>
UDP-AF-13-001 Chad	The programme involved three partners of which two started and completed their activities as planned in 2014 and 2016 respectively. However, the third partner only started in 2016 and completed in 2018 due to issues with getting project staff in the field, among other reasons. This subsequently resulted in a no cost extension to the project. Different parts of the project have been designed and executed independently from each other, which has failed to create good conditions for synergy between partners, the various non-governmental organizations, and technical partners.
IOM-AF-17-001 Somalia	As written by the implementing partner in the progress report: “Challenges in terms of synchronizing and sequencing of planned activities due to different operational procedures of the two agencies”.
UN-AF-15-007 Tunisia and Mauritania	Absence of a focal point for Disaster Risk Reduction at city level in Tunisia, and lack of capacity to coordinate Disaster Risk Reduction activities at the municipality level.
ODC-AF-13-006 Peru	Agencies have not been able to implement in a coordinated manner. Due to the manner in which the budget was distributed, administrative expenses began to multiply, and coordination was hindered.
UDP-SA-17-002 Jamaica	An implementing partner stated: “The use of online project management tools needed to be integrated to assist with streamlining programme coordination more effectively across United Nations agencies and government partners”.

24. HSU needs to strengthen the coordination among implementing partners to enhance the efficiency and effectiveness of programme implementation and outcomes.

**(3) The Human Security Unit should strengthen coordination among implementing partners by: (i) ensuring that programme proposals identify the interdependencies and related mechanisms for effective coordination during programme implementation; and (ii) monitoring programme implementation to ensure that issues concerning coordination are identified and addressed in a timely manner.**

*HSU accepted recommendation 3 and stated that strong and systematic coordination among implementing partners for comprehensive and integrated actions is at the core of the human security approach. As such, HSU places considerable emphasis on providing technical assistance to recipient United Nations organizations, including best practice and lessons learned from previous programmes. Programme implementation and the specific coordination and management structures put in place rest with the recipient United Nations organizations which have established procedures, systems and capacities to manage inter-agency programmes and which commit to do so through signing the financial agreement for the Trust Fund. To further strengthen these practices, HSU will update the programme*

*officer manual to ensure programme proposals clearly identify mechanisms for effective coordination and enhance reporting requirements related to monitoring the quality of coordination mechanisms. Recommendation 3 remains open pending receipt of evidence of effective coordination during programme implementation of interdependencies and mechanisms identified in the programme proposals, and evidence of monitoring programme implementation on a timely basis.*

Programme risk assessments needed to be more comprehensive

25. HSU guidelines require implementing partners to describe the main risks and potential negative externalities that could affect the proposed programme’s success, their impact and probability, and the proposed mitigation measures in the programme proposal. Risks needed to include fragmentation in the implementation of activities and mitigation measures to ensure that programmes were not implemented in silos.

26. OIOS’ review of 23 programmes showed that risk assessments had been conducted at the programme level. However, many risks had not been adequately considered, thereby resulting in inaccurate expectations and delays in implementation. Table 4 shows examples of challenges that should have been considered at the planning stage, with appropriate mitigation measures. In all cases identified in Table 4, ‘no cost’ extensions were granted.

**Table 4: Examples of risks not assessed in programme proposals**

<b>Programme</b>	<b>Risks not assessed</b>
UDP-AF-13-001 Chad	Flood constraints during the rainy season that resulted in inaccessibility of a project area for six months of the year from June to October. All rural roads in the region were flooded and this affected monitoring and capacity-building activities during this period.
	Lengthy distance to the project area which resulted in tracking difficulties and subsequent need to strengthen staff presence.
	Lengthy administrative process to deploy security forces due to unstable security situation in some areas, which led to delays.
HAB-ME-16-002 Lebanon	Limited capacity of non-governmental organizations.
UDP-EE-15-006 Uzbekistan	Limited human resources and capacity in the field of sustainable tourism development and tourism service in the area.
IOM-AF-17-001 Somalia	Challenges in synchronizing and sequencing of planned activities due to different operational procedures of the agencies involved.
	Delay on implementation of community-based public works due to limited staff capacity.
UDP-SA-17-002 Jamaica	Lengthy delays in procurement of services (e.g., consultants).
IDO-GL-17-003 Global	Significant delays in beginning programme activities by the implementing partners in Colombia, due to non-receipt of funds and the need to hire staff.
ILO-AF-17-004 Egypt	Change in the financial system, unavailability of the finance team for more than one month, and migration to the new financial system led to delays in finalizing some contractual agreements.
	Delay in obtaining the necessary national security approvals which had consequences on launching of project activities. These clearances are essential to begin any implementation of activities, so the recruitment of project staff and implementation were put on hold.

27. In some cases, even though risks had been identified, they were not adequately considered in the programme proposal. For example, the proposal for the programme UDP-AF-13-001 in Chad identified that there was a possibility that some stakeholders and actors (NGOs, local governments, and ministries) could not (or may not) fulfil their obligations within the timeframe of the programme. However, appropriate mitigation actions had not been considered to address this risk.

28. HSU stated that it expected implementing partners to adequately assess and mitigate risks that would affect their programmes, but some of the risks were unforeseen. OIOS is of the view that risk

assessments at the programme level could be strengthened to enhance the efficiency and effectiveness of programme implementation.

**(4) The Human Security Unit should strengthen the risk assessments conducted by implementing partners by: (i) providing additional guidance as necessary; and (ii) more rigorous scrutiny of programme proposals to ensure that all foreseeable risks are duly considered and mitigated as appropriate.**

*HSU accepted recommendation 4 and stated that it recognizes the importance of risk assessments by recipient United Nations organizations and will update the programme officer manual to ensure additional guidance as well as more rigorous scrutiny of risk assessments during the preparation of programme proposals. Recommendation 4 remains open pending receipt of additional guidance issued to implementing partners on risk assessment and evidence of rigorous scrutiny of programme proposals to ensure that all foreseeable risks are duly considered and mitigated as appropriate.*

#### Need to strengthen due diligence verification of implementing partners

29. HSU guidelines require that implementing partners explain how the proposed programme would interact and engage with other international/national organizations, including non-governmental organizations (NGOs) and bilateral donors, operating in the same context. A due diligence process is intended to know the counterparts, their activities, and financial standing, prevent money laundering and terrorist support, ascertain the background of individuals leading NGOs, and potential inclusion in official blacklists, if justified.

30. HSU did not independently conduct and document due diligence checks for non-United Nations implementing partners but relied on United Nations implementing partners to do so, at the country level. HSU also did not require United Nations implementing partners to provide information of self-certification by non-United Nations implementing partners in commitments such as: (i) no intent to support violence/terrorism; (ii) aims/purposes conform with the Charter of the United Nations; (iii) the applicant is a duly constituted national/international civil society organization; and (iv) existence of statutes/bylaws for its operations. OIOS' review of 23 sample programmes indicated that 17 of these programmes engaged non-United Nations implementing partners including NGOs and civil society organizations. However, there was no evidence that HSU received information from United Nations implementing partners on due diligence checks conducted by them on non-United Nations implementing partners.

31. HSU explained that due diligence checks were the responsibility of the United Nations implementing partner with whom they had a financial agreement. OIOS is of the view that HSU needed to review due diligence screening information from the United Nations implementing partners to determine the suitability of potential non-United Nations implementing partners, including criteria for determining whether the partners' business practices were acceptable to the Organization so that the reputation risk to the Organization is adequately mitigated.

**(5) The Human Security Unit should establish a mechanism to ensure that due diligence checks on each non-United Nations implementing partner are adequately conducted and documented before the approval of programmes.**

*HSU accepted recommendation 5 and stated that it recognizes the importance of due diligence checks on non-United Nations implementing partners. These due diligence checks at the country level rest with the recipient United Nations organizations which have established procedures, systems and capacities to undertake due diligence and which commit to do so through signing the financial agreement for the Trust Fund. By early 2021, HSU will establish a mechanism to document due*

*diligence checks by recipient United Nations organizations before the approval of programmes.* Recommendation 5 remains open pending receipt of evidence that due diligence checks on non-United Nations implementing partners are adequately conducted and documented before the approval of programmes.

Need to improve the efficiency of the programme proposal review and approval process

32. According to HSU guidelines, calls for proposals from applying entities constituted the first step in the programme selection process. In response, applying partners submitted their concept notes to HSU. Programme officers in HSU conducted an initial review and short-listed the programmes based on HSU guidance for assessment of concept notes. Once the initial selection was finalized, the resident coordinator or the senior representative of the applying entity was notified by HSU that the proposal was favorably considered for funding. The notification explained how to improve the proposal and invited the applying entity to draft a full programme proposal within two months. Once a programme proposal met the requirements of Trust Fund, the programme officer submitted the proposal to the Project Review Committee (which included representatives of the Department of Political and Peacebuilding Affairs and the Department of Economic and Social Affairs) for their review. Comments, if any, were shared immediately with the applying entity if they required revisions of the proposal prior to approval. The programme officer then submitted a memo, along with a summary of the programme and the full programme proposal with work plan and budget, to the Special Adviser for signature. Upon signature, the documents were submitted to EOSG for approval of the Deputy Secretary-General. Thereafter, a finance agreement was drafted and signed by HSU and the implementing partner, after which disbursement of funds was initiated.

33. OIOS' review of 23 programmes indicated that the average time taken from receipt of programme proposals from the implementing entities to approval of the finance agreement ranged from 62 to 321 days (an average of 163 days, or 5 months). On average, it took 182 days (6 months) from the date of receipt of programme proposals to initiation of disbursement of funds for a programme under the Trust Fund. HSU took an average of 26 days after the financial agreement was signed, and an average of 38 days after the proposed programme's start date, to initiate the disbursement process. This in turn delayed the commencement and implementation of programmes.

34. In 2017, HSU received 57 concept notes of which seven (12 per cent) were selected while in 2018, 48 concept notes were received of which nine (19 per cent) were selected. In 2019, HSU received 96 concept notes and 11 (11 per cent) were selected. HSU's calls for proposals were issued without a specific thematic area of focus to ensure a competitive selection process. This also resulted in a low programme approval rate but lengthy review process. HSU stated that the low approval rate was due to the limited resources of the Trust Fund.

35. Delays in the review and approval of programme proposals need to be addressed so that the Organization's interventions through the Trust Fund activities are timely and effective.

**(6) The Human Security Unit, in consultation with the Executive Office of the Secretary-General, should revisit the existing process and timelines for the review and approval of programme proposals relating to the United Nations Trust Fund for Human Security and determine ways in which the process and timelines could be made more efficient to enhance the effectiveness of the Trust Fund's operations.**

*HSU accepted recommendation 6 and stated that by early 2021, it will consult with EOSG to review and amend the workflow for the review and approval of programme proposals to improve the efficiency and ensure the necessary inclusiveness of the process. Recommendation 6 remains open*

pending receipt of evidence of the changes made to enhance the efficiency of existing processes for review and approval of programme proposals.

#### Need to develop guidance for independent evaluation of completed programmes

36. Evaluations enable organizations to identify areas for improvement and ultimately help ensure that limited resources are utilized most efficiently for the greatest possible impact. HSU guidance provided for financing of evaluation activities for programmes from the Trust Fund and required implementing partners to include a mid-term and final evaluation plan in the programme proposal. Implementing partners were required to submit evaluation and progress reports. HSU consolidated the findings from evaluation reports and other reports submitted by implementing partners and assessed them for lessons learned and application as best practice for future programmes. HSU also independently conducted mid-term assessments of some programmes and prepared mission reports.

37. However, HSU did not conduct evaluations following the completion of programmes. The effectiveness and efficiency of the Trust Fund's programmes was not evaluated for over seven years. The only available external evaluation was a rapid assessment commissioned by the Advisory Board in 2013. One of the objectives of the rapid assessment was to present the usefulness of programmes in responding to unaddressed areas of human security. Findings from the rapid assessment were the result of four field missions and desktop reviews of three programmes. The report acknowledged the differences between a full evaluation and a rapid assessment and stated that it focused largely on issues related to relevance. Issues related to efficiency or effectiveness and to some extent, sustainability, were not addressed in the rapid assessment.

38. HSU did not have guidance for internal independent evaluation of programmes or criteria on programme prioritization for an evaluation. HSU stated that according to the existing guidelines, implementing entities assumed primary responsibility for independent evaluation of programmes. However, HSU acknowledged the need to develop a more comprehensive policy on monitoring and evaluation of programmes and conducting an evaluation of completed programmes.

39. OIOS is of the view that independent periodic evaluation of programmes is essential to demonstrate their verifiable impact on the communities served.

**(7) The Human Security Unit should: (i) develop guidelines on conducting independent evaluations for completed programmes financed from the United Nations Trust Fund for Human Security, including criteria for selection of programmes for evaluation and an annual budget for evaluations; and (ii) include the lessons learned from evaluations in its annual report to donors.**

*HSU accepted recommendation 7 and stated that it recognizes the importance of independent evaluations of completed programmes to assess impact and garner lessons learned for continuous improvement of the Trust Fund. By the end of 2021, HSU will develop guidelines for conducting evaluations of completed programmes, including criteria for selection and an annual budget. Recommendation 7 remains open pending receipt of evidence of guidelines on conducting independent evaluations for completed programmes, and evidence of inclusion of lessons learned from evaluations in the annual report to donors.*

#### Donor reporting requirements were complied with

40. According to the donor agreement, HSU is required to provide a detailed report on the use of funds for the Trust Fund's programmes. HSU prepared annual reports to the donor on Trust Fund activities including the annual cost plan and a summary of the nature, activities and outcome of the programmes undertaken. The annual report also highlighted the funding distribution, activities undertaken to extend global awareness and use of the human security approach, outreach products and future plans. It also included programmes approved in prior years, progress of ongoing programmes, implementing partners to whom calls for proposal were sent, and breakdown of pooled resources.

41. At the time of the audit, the 2019 annual report was not yet published. HSU stated that the annual report was under preparation, and the report was being restructured to provide a more comprehensive view of the Trust Fund's work and contribution to the United Nations. While the annual report for 2019 was under preparation, key information was sent to the donor in other ways. OIOS therefore concluded that HSU complied with the donor reporting requirements for the Trust Fund.

#### Action had been initiated to mainstream SDGs in the programme of work

42. General Assembly resolution 70/1 defined 17 SDGs and 169 targets encapsulating in each goal the three development dimensions: economic, social and environmental. United Nations entities are expected to mainstream SDGs in their programme of work to effectively support Member States in implementing them.

43. HSU had initiated actions to mainstream SDGs in its programme of work. HSU guidelines required implementing partners to identify in their programme documents the entry-point(s) and explain the anticipated positive multiplier effects across other dimensions of human security and target SDGs. In 2018, HSU facilitated global training on "Human security and its application towards Agenda 2030" to promote and disseminate the human security approach and provide guidance on how to apply it to support national planning towards the achievement of the SDGs. HSU participated in various expert meetings and events on SDGs annually. HSU also designed a new template for programme summaries to better highlight the contributions of the Trust Fund programmes towards the achievement of the SDGs. OIOS noted that HSU initiated steps to mainstream SDGs in its programme of work.

### **IV. ACKNOWLEDGEMENT**

44. OIOS wishes to express its appreciation to the management and staff of HSU 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 United Nations Trust Fund for Human Security

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	The Special Adviser of the Secretary-General on Human Security should strengthen the governance of the Trust Fund for Human Security by ensuring that meetings of the Advisory Board are held on a regular basis to address key issues relating to the Trust Fund, including its sustainability.	Important	O	Receipt of evidence of regular meetings of the Advisory Board to address key issues relating to the Trust Fund, including its sustainability.	1 June 2021
2	The Human Security Unit should ensure that programme proposals include SMART key performance indicators to enable objective assessment of the impact of programme activities.	Important	O	Receipt of evidence of programme proposals that include SMART key performance indicators.	1 July 2021
3	The Human Security Unit should strengthen coordination among implementing partners by: (i) ensuring that programme proposals identify the interdependencies and related mechanisms for effective coordination during programme implementation; and (ii) monitoring programme implementation to ensure that issues concerning coordination are identified and addressed in a timely manner.	Important	O	Receipt of evidence of effective coordination during programme implementation of interdependencies and mechanisms identified in the programme proposals, and evidence of monitoring programme implementation on a timely basis.	1 July 2021
4	The Human Security Unit should strengthen the risk assessments conducted by implementing partners by: (i) providing additional guidance as necessary; and (ii) more rigorous scrutiny of programme proposals to ensure that all foreseeable risks are duly considered and mitigated as appropriate.	Important	O	Receipt of additional guidance issued to implementing partners on risk assessment and evidence of rigorous scrutiny of programme proposals to ensure that all foreseeable risks are duly considered and mitigated as appropriate.	1 July 2021

<sup>1</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>2</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

<sup>3</sup> Please note the value C denotes closed recommendations whereas O refers to open recommendations.

<sup>4</sup> Date provided by the Human Security Unit in response to recommendations.

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5	The Human Security Unit should establish a mechanism to ensure that due diligence checks on each non-United Nations implementing partner are adequately conducted and documented before the approval of programmes.	Important	O	Receipt of evidence that due diligence checks on non-United Nations implementing partners are adequately conducted and documented before the approval of programmes.	1 March 2021
6	The Human Security Unit, in consultation with the Executive Office of the Secretary-General, should revisit the existing process and timelines for the review and approval of programme proposals relating to the United Nations Trust Fund for Human Security and determine ways in which the process and timelines could be made more efficient to enhance the effectiveness of the Trust Fund's operations.	Important	O	Receipt of evidence of changes made to enhance the efficiency of existing processes for review and approval of programme proposals.	1 March 2021
7	The Human Security Unit should: (i) develop guidelines on conducting independent evaluations for completed programmes financed from the United Nations Trust Fund for Human Security, including criteria for selection of programmes for evaluation and an annual budget for evaluations; and (ii) include the lessons learned from evaluations in its annual report to donors.	Important	O	Receipt of evidence of guidelines on conducting independent evaluations for completed programmes, and evidence of inclusion of the lessons learned from evaluations in its annual report to donors.	1 December 2021

# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of the United Nations Trust Fund for Human Security

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The Special Adviser of the Secretary-General on Human Security should strengthen the governance of the Trust Fund for Human Security by ensuring that meetings of the Advisory Board are held on a regular basis to address key issues relating to the Trust Fund, including its sustainability.	Important	Yes	Special Adviser to the Secretary-General on Human Security	By 1 June 2021	The Advisory Board has been reconstituted with the new TOR starting from 2020, and the new Board met for the first time virtually in September 2020. The Special Adviser will ensure the Board to meet regularly in the future for effective governance.
2	The Human Security Unit should ensure that programme proposals include SMART key performance indicators to enable objective assessment of the impact of programme activities.	Important	Yes	Chief, Human Security Unit	By 1 July 2021	The HSU recognizes the importance of SMART key performance indicators to assess progress reliably, to make changes where necessary, and to assess the overall impact of the programme. The HSU has already started the process of updating the programme officer manual to ensure stronger oversight of the quality of SMART key performance indicators during the preparation of programme proposals and in annual progress reports. The HSU will continue to ensure compliance with these standards by recipient UN organizations (RUNOs).
3	The Human Security Unit should strengthen coordination among implementing partners by: (i) ensuring that programme proposals identify the interdependencies and related	Important	Yes	Chief, Human Security Unit	By 1 July 2021	Strong and systematic coordination among implementing partners for comprehensive and integrated actions is at the core of the human security

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<sup>2</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

## Management Response

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Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	mechanisms for effective coordination during programme implementation; and (ii) monitoring programme implementation to ensure that issues concerning coordination are identified and addressed in a timely manner.					approach. As such, the HSU places considerable emphasis on providing technical assistance to RUNOs, including best practice and lessons learned from previous UNTFHS programmes on coordination and integration mechanisms, during the preparation of proposals and throughout programme implementation. Programme implementation and the specific coordination and management structures put in place rests with the RUNOs which have established procedures, systems and capacities to manage inter-agency programmes and which commit to do so through signing the financial agreement with the UNTFHS. To further strengthen these practices, the HSU will update the programme officer manual to ensure programme proposals clearly identify mechanisms for effective coordination and enhance reporting requirements related to monitoring the quality of coordination mechanisms.
4	The Human Security Unit should strengthen the risk assessments conducted by implementing partners by: (i) providing additional guidance as necessary; and (ii) more rigorous scrutiny of programme proposals to ensure that all foreseeable risks	Important	Yes	Chief, Human Security Unit	By 1 July 2021	The HSU recognizes the importance of risks assessments conducted by RUNOs. The HSU will update the programme officer manual to ensure additional guidance as well as more rigorous scrutiny of risk assessments

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	are duly considered and mitigated as appropriate.					during the preparation of programme proposals.
5	The Human Security Unit should establish a mechanism to ensure that due diligence checks on each non-United Nations implementing partner are adequately conducted and documented before the approval of programmes.	Important	Yes	Chief, Human Security Unit	By 1 March 2021	The HSU recognizes the importance of due diligence checks on non-United Nations implementing partners. These due diligence checks at the country level rests with the RUNOs which have established procedures, systems and capacities to undertake due diligence and which commit to do so through signing the financial agreement with the UNTFHS. By early 2021, the HSU will establish a mechanism to document due diligence checks by RUNOs before the approval of programmes.
6	The Human Security Unit, in consultation with the Executive Office of the Secretary-General, should revisit the existing process and timelines for the review and approval of programme proposals relating to the United Nations Trust Fund for Human Security and determine ways in which the process and timelines could be made more efficient to enhance the effectiveness of the Trust Fund's operations.	Important	Yes	Chief, Human Security Unit	By 1 March 2021	By early 2021, the HSU will consult with the Executive Office of the Secretary-General to review and amend the workflow for the review and approval of programme proposals to improve the efficiency and ensure the necessary inclusiveness of the process.
7	The Human Security Unit should: (i) develop guidelines on conducting independent evaluations for completed programmes financed from the United Nations Trust Fund for Human Security, including criteria for selection of programmes for evaluation and	Important	Yes	Chief, Human Security Unit	By 1 December 2021	The HSU recognizes the importance of independent evaluations of completed programmes to assess impact and garner lessons learned for continuous improvement of the UNTFHS. By the end of 2021, the HSU will develop

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	an annual budget for evaluations; and (ii) include the lessons learned from evaluations in its annual report to donors.					guidelines for conducting evaluations of completed programmes, including criteria for selection and an annual budget.