OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2021/023

Audit of the Trust Fund for Economic and Social Information in the Department of Global Communications

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

16 June 2021
Assignment No. AG2021-580-01

Audit of the Trust Fund for Economic and Social Information in the Department of Global Communications

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the Trust Fund for Economic and Social Information (hereafter referred to as "the Trust Fund") in the Department of Global Communications (DGC). 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 2018 to 31 December 2020 and included a review of risk areas relating to: (i) governance and oversight; and (ii) project and financial management.

The audit indicated that controls relating to governance and project 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, DGC needed to:

- Update the Trust Fund's terms of reference to ensure that it reflects the nature of project activities undertaken;
- Formalize the role and functions of the Partnerships and Resource Mobilization Committee by issuing clear terms of reference highlighting its oversight responsibilities; establish a mechanism to follow up and document the implementation of the action points arising from the Committee's meetings; and ensure that the Committee's meetings are held regularly;
- Develop guidelines on conducting evaluations for projects financed from the Trust Fund, including criteria for selection of projects for evaluation, and a budget for evaluations; and include the lessons learned from evaluations in its reports to donors;
- Develop a project document template and ensure that project cost plans are supported by a detailed breakdown of costs;
- Ensure that due diligence checks are performed, documented and approved before accepting contributions from non-United Nations donors;
- Develop a policy for Trust Fund projects and include guidance on SMART (specific, measurable, achievable, relevant, time bound) key performance indicators to enable objective assessment of the impact of project activities; and conduct project risk assessments, develop risk mitigation measures, and implement a monitoring mechanism to ensure that Trust Fund projects are implemented in a timely manner; and
- Establish and monitor key performance indicators including project progress, backlogs, and budget consumption relating to the project for digitization of the audio-visual archives to ensure that it is successfully completed.

DGC accepted the recommendations and has initiated action to implement them.

CONTENTS

Audit of the Trust Fund for Economic and Social Information in the Department of Global Communications

I.   BACKGROUND

1.   The Office of Internal Oversight Services (OIOS) conducted an audit of the Trust Fund for Economic and Social Information (hereafter referred to as "the Trust Fund") in the Department of Global Communications (DGC).

2.   The Trust Fund is managed by DGC which is mandated to communicating the ideals and work of the United Nations to the world; interacting and partnering with diverse audiences; and building support for peace, sustainable development and human rights through global operations and offices in 60 countries.

3.   In this context, the Economic and Social Council (ECOSOC), in its resolution 1806 (LV) of 8 August 1973, invited the Secretary-General and the executive heads of the organizations of the United Nations system to coordinate their information programmes on economic and social development. Subsequently, the Trust Fund was created with two sub-accounts: (i) System-wide publication on disability; and (ii) Inter-agency project on women and literacy. The projects and activities financed by the Trust Fund were administered by the three divisions of DGC, namely News and Media, Outreach, and Strategic Communications, with the support of DGC's Executive Office and the oversight of the DGC Office of the Under-Secretary-General.

4.   The key financial figures of the Trust Fund for period 2018 to 2020 were as shown in Table 1.

Table 1: Summary of key financial figures of the Trust Fund for Economic and Social Information

Particulars	31 December 2018	31 December 2019	31 December 2020
Assets	16,327,216	16,583,673	15,547,958
Liabilities	181,502	443,827	305,834
Revenue	12,142,507	4,041,719	3,870,712
Expenses	2,946,917	4,047,587	4,768,434
Voluntary contributions receivable	8,186,227	7,924,020	9,598,405
Voluntary contributions	11,787,069	3,591,004	3,609,100

Source: Audited financial statements 2018 and 2019. Interim financial statements 2020.

5.   There were five main projects and activities financed by the Trust Fund, as follows.

(a)   <u>The Office of the Secretary-General's Envoy on Youth (OSGEY)</u>

6.   Established by the United Nations Secretary-General in 2013, OSGEY aimed to strengthen United Nations focus on youth agenda through high-level advocacy, strategic communication, coordination and partnerships building. OSGEY was led by the Youth Envoy and supported by a team of nine professionals. During the review period, the expenditure for OSGEY activities amounted to $4.65 million.

(b)   <u>Audio-visual Archives Digitization Project</u>

7.   The objective of the project was to select and digitize approximately 70 per cent of the United Nations historical audio-visual collections within a five-year period (2016-2020). This comprised of approximately 100,000 items in a wide variety of audiovisual formats on analog film and video, and audio recordings. The project was financed by the Government of the Sultanate of Oman through a voluntary

contribution of $4.5 million. Since its inception, project expenditure was approximately $4.3 million (96 per cent) and included staff costs, contractual services, equipment, as well as operational costs, and programme support costs.

(c)   Hindi Project

8.   The objective of the Hindi Project was to provide a source of news coverage of global United Nations issues, as part of the United Nations News operation, and related social media content to initiate the production of content in the Hindi language to the approximately 500 million global Hindi-speaking community. The Government of India gave an initial contribution of $1.6 million in 2018 for the pilot phase of setting up the project. The project was then extended on the basis of an amended Memorandum of Understanding to regularize and scale up the project for the foreseeable future.

(d)   United Nations Information Centre (UNIC) Tokyo

9.   The main objective of the UNIC Tokyo project was to disseminate information on the United Nations and its functions at the global level but also execute its outreach agenda to effectively engage with the Japanese public. The Government of Japan, the sole donor, contributed approximately $200,000 annually. The total expenditure during period 2018-2020 was approximately $500,000.

(e)   United Nations Academic Impact Project (UNAI)

10.   The objective of the UNAI project was to raise awareness in higher education institutions of the work, objectives and values of the United Nations. The project's sole donor was the Government of India which contributed $600,000 over seven years. Project expenditure during the review period amounted to approximately $500,000.

11.   In addition to these projects, the Trust Fund was used to finance: (i) the United Nations Expo, which involved the Organization's presence at Expo 2020 Dubai (currently due to open in October 2021) with total contributions amounting to $203,537; and (ii) the salary of the Director for Covid-19 communications.

12.   Comments provided by DGC are incorporated in italics.

II.   AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

13.   The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in DGC in ensuring effective management of the Trust Fund.

14.   This audit was included in the 2021 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.

15.   OIOS conducted this audit from January to April 2021. The audit covered the period from 1 January 2018 to 31 December 2020. Based on an activity-level risk assessment, the audit covered risk areas relating to: (i) governance and oversight; and (ii) project and financial management.

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

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

III.   AUDIT RESULTS

A.   Governance and oversight

The Trust Fund's terms of reference needed to be updated

18.   The terms of reference (TOR) set forth the Trust Fund's purpose, objective, management and administration, activities and basis on which funds were to be utilized.   ECOSOC encouraged the establishment of the Trust Fund to mobilize public opinion in support of development. The Trust Fund was established in 1973 with two sub-accounts for: (i) System-wide publication on disability; and (ii) Inter-agency project on women and literacy.

19.   The Trust Fund gradually initiated and supported a wide variety of public information and development projects that seemed to go beyond the scope of the two sub-accounts. The original purpose of the Trust Fund (e.g.: disability, women, literacy) was not always implemented consistently.

20.   Even though the Trust Fund was created for a specific purpose, subsequently, additional activities were added to it. For clarity and transparency, DGC needs to update the TOR to reflect the nature of activities supported by the Trust Fund.

> **(1)   The Department of Global Communications should update the terms of reference of the Trust Fund for Economic and Social Information to ensure that it reflects the nature of project activities undertaken.**
>
> *DGC accepted recommendation 1 and stated that per guidance from the Finance Division, it will prepare the TOR which will cover the activities under the Trust Fund for review by the Finance Division and the approval of the Controller.* Recommendation 1 remains open pending receipt of the updated TOR of the Trust Fund.

Need to establish a mechanism for review of the Trust Fund's activities

21.   An active engaged committee with a clearly defined role is essential for effective governance of a Trust Fund. The Partnerships and Resource Mobilization (PRM) Committee, which is a body of eight members with representation from all areas of DGC, was established to focus on partnerships and resource mobilization as defined in the Partnership and Resource Mobilization Strategy. The establishment of the PRM Committee was announced on iSeek on 26 June 2019.

22.   While the TOR for the PRM Committee had been drafted, they were not yet formalized. In addition, the role and responsibility of the PRM Committee towards the Trust Fund and the related decision-making procedures remained undefined. DGC stated that this was due to a change in leadership. The draft TOR stated that the PRM Committee was required to provide direct guidance and oversight on all contributions above $50,000. However, there was no evidence of the PRM Committee's guidance and oversight over the Trust Fund's expenditure of $11.8 million incurred during the review period.

23.   The iSeek announcement further stated that the PRM Committee's first task would be to further develop the workflow and tools for the initiative, which would be reviewed after six months. The workflow and tools were developed for use by the PRM Committee. However, OIOS' review of the Committee meeting minutes showed that: (i) the minutes did not adequately document information on the agenda items; (ii) the extent of guidance and oversight provided by the Committee was unclear; (iii) the 15 January 2020 minutes showed that there was a presentation on one project but subsequent discussions on it were not

documented; (iv) there was only one follow up discussion recorded in the minutes during the period under review, with little evidence that action points from previous meetings had been followed up; and (v) the draft TOR stated that meetings would be held monthly, but at the time of the audit, nine meetings were held in the 18 months since the Committee's inception.

24.   Due to the lack of formal TOR for the PRM Committee, its role and functions remained ambiguous. It was also unclear whether the Committee was able to fulfil its role in providing effective governance and oversight of the Trust Fund.

> **(2) The Department of Global Communications should: (i) formalize the role and functions of the Partnerships and Resource Mobilization Committee by issuing clear terms of reference highlighting its oversight responsibilities; (ii) establish a mechanism to follow up and document the implementation of the action points arising from the Committee's meetings; and (iii) ensure that the Committee's meetings are held regularly.**
>
> *DGC accepted recommendation 2 and stated that the role of the PRM Committee is coordination of partnerships and resource mobilization activities and not oversight of DGC's trust funds. DGC will develop TOR for an oversight body to provide oversight of the Trust Fund. The PRM Committee will establish a follow up mechanism for action points and ensure meetings are held regularly.* Recommendation 2 remains open pending receipt of evidence of: (i) TOR for the body that will oversee the activities of the Trust Fund; (ii) establishment of a follow up mechanism for action points arising from the oversight body's meetings; and (iii) meetings held on a regular basis.

Need to develop guidance for periodic evaluation of projects

25.   United Nations-funded programmes are generally required to demonstrate results and impact through evaluation of their activities. Evaluations enable organizations to identify areas for improvement and ultimately help ensure that limited resources are utilized most efficiently for the greatest possible impact.

26.   Project evaluations were not conducted for projects and the effectiveness and efficiency of the Trust Fund's projects was not evaluated since inception. DGC did not have project guidelines that required systematic budgeting of funds for evaluation of projects and did not develop criteria for selective evaluation of projects or on project prioritization for an evaluation. As a result, DGC did not assess or prepare lessons learned from implemented projects for use in future projects.

27.   It is important for DGC to demonstrate results and impact through independent review of its projects. Due to the relatively smaller project amounts for some of the projects, DGC needed to develop risk-based criteria for evaluation of such projects. Independent evaluation of projects is essential to demonstrate their impact on the communities served.

> **(3) The Department of Global Communications should: (i) develop guidelines on conducting evaluations for projects financed from the Trust Fund, including criteria for selection of projects for evaluation, and a budget for evaluations; and (ii) include the lessons learned from evaluations in its reports to donors.**
>
> *DGC accepted recommendation 3 and stated that it will develop guidelines in line with standard donor-funded projects, where evaluation resources are provided by donors as part of the project budget. Where evaluation funding has been provided, lessons learned will be included in donor reports.* Recommendation 3 remains open pending receipt of: (i) guidelines on conducting evaluations for projects financed from the Trust Fund; and (ii) evidence of including lessons learned in reports to donors.

B. Project and financial management

<u>Project document template needed to be developed</u>

28.   Project documents must describe the project and provide information such as project objective, context, scope, goals, outputs, activities, cost, desired impact, schedule timelines, monitoring and evaluation. A logical framework is a project matrix that describes the impact, effect, output and activities along with verifiable indicators, underlying assumptions, and means of verification.

29.   DGC did not have a policy or guidelines for use by the Trust Fund with a recommended project document template or logical framework. OIOS' review of the project documentation available showed the following issues: (a) some projects did not have project documents; (b) the breakdown of costs in the available cost plans were inadequate and could not be linked to the activities in the progress reports; and (c) cost plans were not required to link the cost estimates to specific project activities. Table 2 describes details of such examples.

Table 2: Projects without breakdown of estimated costs

Project title	Amount	OIOS comments
Hindi Project	$3,831,968	• Project documents for period 2018-2020 were not prepared. • Cost plans for 2018-2020 did not provide breakdown of number of staff, number of contractors, travel, and other costs. • Costs could not be linked to activities. • Work plan and results monitoring templates were not prepared. Information from the donor's agreement, annual progress reports, and Umoja reports did not address the above issues.
United Nations Academic Impact Project	$600,000	• Project documents for period 2018-2020 were not prepared. • Cost plans for 2018-2020 did not provide breakdown of number of contractors, travel, cost of outreach and advocacy materials, and technical equipment costs. • Costs could not be linked to activities. • Work plan and results monitoring templates were not prepared.
Audio-visual Digitization Project	$4,500,000	• Project documents were prepared at inception in 2016, but there was no evidence of full and detailed update until the Status Report 2020. • Cost plans for 2018-2019 did not provide breakdown of number of staff, consultants, contractual services, operating costs and equipment. This information was presented in the Status Report 2020. • Costs could not be linked to activities. • Work plan and results monitoring templates were not prepared. Periodic statistics of digitization production sent to the donor, Umoja reports and certified financial statements did not address the above issues.
OSGEY	$4,650,000	• Since inception in 2013, only in 2020 a cost plan was elaborated.

30.   DGC stated that it in the absence of a policy and project guidance, project managers used their own cost plan templates. DGC acknowledged the need to have a detailed breakdown of costs to assess their reasonableness, strengthen controls, and enhance transparency.

> **(4) The Department of Global Communications should: (i) develop a project document template to be used by its project managers consistently; and (ii) ensure that project cost plans are supported by a detailed breakdown of costs.**

> *DGC accepted recommendation 4 and stated that it will develop templates while exploring enterprise options available through Umoja.* Recommendation 4 remains open pending receipt of: (i) a project document template developed by DGC for use by its project managers; and (ii) evidence that project cost plans are supported by detailed breakdown of costs.

<u>Need to conduct due diligence checks relating to non-United Nations donors</u>

31.   Guidelines issued by the United Nations on a principle-based approach to cooperation between the United Nations and the business sector stipulate that the concerned United Nations entity should ensure the integrity of the partnership through a robust due diligence process for selecting partners. Principles of due diligence when dealing with non-United Nations entities were requested for a variety of fields across the United Nations[1].

32.   DGC received $10 million from a non-United Nations donor for the period 2018 to 2022 for OSGEY. The Controller's Office and the Office of Legal Affairs approved the memorandum of understanding between the United Nations and the donor. However, there was no evidence that due diligence checks relating to the donor had been conducted and documented before accepting the contribution.

33.   While it is important to engage with non-United Nations donors to contribute to the realization of the Organization's goals, there is a risk that the Organization could be exposed to donors whose interests or values may not align with those of the United Nations, particularly its integrity and objectivity. It is therefore essential that due diligence checks are conducted, documented and approved before accepting contributions.

> **(5) The Department of Global Communications should ensure that due diligence checks are performed, documented and approved before accepting contributions from non-United Nations donors.**
>
> *DGC accepted recommendation 5 and stated that it will require due diligence checks, as part of the TOR for the oversight body, before accepting contributions from non-United Nations donors.* Recommendation 5 remains open pending receipt of evidence that due diligence checks are performed, documented and approved before accepting contributions from non-United Nations donors.

<u>Need to establish performance and impact indicators and conduct risk assessments for projects</u>

34.   Best practices recommend the use of specific, measurable, achievable, relevant, time bound (SMART) performance indicators during project management to ensure project progress was adequately assessed and effectiveness evaluated. Indicators serve the purpose of aiding project managers highlight areas for possible improvement timely. Measurable impact helps organizations understand a project's benefits, even when they were not immediately realized. Also, risk assessments needed to be conducted prior to the start of project implementation to ensure they were delivered efficiently and effectively by considering risks and controls.

35.   OIOS' review of five projects implemented during 2018 to 2020 showed that progress reports outlined the activities conducted and tasks completed annually. However, the progress reports were not linked to project documents or work plans and did not adequately reflect the progress against targets and

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[1] United Nations Guiding Principles on Business and Human Rights, Human Rights Due Diligence Policy, Due Diligence Guidelines of ECOSOC, Due Diligence Policy United Nations Global Compact, and United Nations Procurement Manual.

their connection to the overall project objective. There were no measurable indicators or targets which could be reliably tracked to assess whether projects had achieved the desired impact. The progress reports also did not indicate quantitative performance indicators. Even though progress reports tracked the growth of outreach, for example, via social media and website visits, it was not possible to determine if targets relating to projects were met. Also, OIOS' review of five projects showed that risk assessments had not been conducted at project level. Examples of accomplishments and impact that had no targets identified in the progress reports are shown in Table 3.

Table 3: Examples of project accomplishments and impact that had no targets

Project title	Project accomplishments and impact	OIOS comments
Hindi Project	• The ranking of United Nations News Hindi website has improved from 1.3 in March 2020 to 9.4 in December 2020. • In 2020, there were 130,000 clicks on outbound links (compared to 47,000 clicks in 2019) resulting in a 175 per cent increase. • A 560 per cent increase in impressions/ device. • A 108 per cent increase in users/ device. • Our content is attracting a younger audience. • More than 70 per cent of our audience is below the age of 34 and more than half of that lies in the age group of 18-24.	There were no targets or key performance indicators (KPIs). Even though DGC prepared monthly reports on the progress of the project, it was not possible to determine the effectiveness of the activities implemented in meeting goals and objectives.
United Nations Academic Impact Project	• Outreach: UNAI social media channels have over 30,000 followers with 80,000 impressions and 2,600 engagements per month while the website has 22,000 unique visitors and 40,000-page views per month. • Work4UN: In two months, the series has had 162,000 readers on We Chat, 13,000-page views on the UNAI website, 7,000 impressions on YouTube and been widely shared on Facebook, Twitter and LinkedIn.	There were no targets or KPIs. Even though periodic tracking demonstrated growth, it was not possible to determine the effectiveness of the activities in meeting goals and objectives.
Audio-visual Digitization Project	• There were records of monthly updates of the project outputs in a cumulative manner, resulting that the last month brings all batches updated in the previous month(s). • Figures from previous batches are updated regularly as any pending item from previous months were received.	Although data was gathered for the project, there were no KPIs which could be used to compare the progress and delays of the project across the years in relation to consumed budget.
OSGEY	• Meaningful Youth Engagement: Increased meaningful youth participation and engagement at the United Nations and beyond, especially most marginalized youth. • Advocacy: Advocated for greater investments for youth empowerment, youth led innovation, recognition and protection of young people's human rights and creation of safe and enabling spaces for youth participation. • Partnerships: Partnerships with United Nations, youth organizations, private sector, academia, and Member States strengthened for the improvement of the situation of youth globally.	There were no performance metrics at the time of the audit to assess the progress and impact of project activities. OSGEY stated that it will develop KPIs in 2022.

	• Youth 2030: Strengthened support to and cohesion within the United Nations system-wide efforts in implementation, monitoring and evaluation of the Youth Strategy at all levels. • Communications: Diversified and improved outreach to youth globally on the issues relevant to young people. • Administration: Effective and efficient management of financial and human resources, improved programing for results and enhanced mobilization of resources to ensure sustainability of the office.	

36.   By identifying targets, project managers could define success early and execute activities that are more likely to generate a significant impact. Targets are particularly useful for projects that last longer than a year because they give project managers an opportunity to assess progress reliably, make changes where necessary, and prioritize activities to ensure that goals are met.

37.   DGC stated that it made efforts to ensure that there was verifiable year-on-year growth but acknowledged that identifying targets and KPIs were necessary. Regarding risk assessments, DGC stated that it started preparing the enterprise risk management methodology at department level only.

38.   Targets and KPIs need to be developed for each project to determine whether activities implemented were effective in meeting the project objectives. Further, a risk assessment exercise needs to be conducted at the project level to ensure that the related risks are identified and managed effectively. In the absence of such risk assessment, key risks to a project's success may not be adequately considered and mitigated in a timely manner.

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(6) The Department of Global Communications should: (i) develop a policy for Trust Fund projects and include guidance on SMART (specific, measurable, achievable, relevant, time bound) key performance indicators to enable objective assessment of the impact of project activities; and (ii) conduct project risk assessments, develop risk mitigation measures, and implement a monitoring mechanism to ensure that Trust Fund projects are implemented in a timely manner.

DGC accepted recommendation 6 and stated that the new oversight body will be responsible for the recommendation. Recommendation 6 remains open pending receipt of evidence that policy guidance has been issued to Trust Fund managers on: (i) developing KPIs for objective assessment of project activities; and (ii) conducting risk assessments of Trust Fund projects to ensure timely mitigation of risks.


Audio-visual Archives Digitization Project was significantly delayed

39.   The General Assembly stressed the urgency for digitization of the United Nations' audio-visual records to prevent further deterioration of the historical archives and explore avenues of support for digitization, including working with interested partners to ensure that radio, television, film and photographic archives are preserved and accessible. Digitization of the Organization's audio-visual history had to provide easy web-based access to digital information.

40.   During the five-year term, the digitization project did not meet its original target of digitizing 70 per cent of the legacy audio-visual archives, which accounts for approximately 58,650 eligible items. As

of November 2020, the project had digitized only 33 per cent of the total inventoried physical audio-visual collection of 98,878 items, which represents 47 per cent of the original target of 70 per cent. Since there were many modifications to the original inventory of items to be digitized, an adjusted target based on 85 per cent eligibility for digitization was established, and the digitization completion rate was calculated as 55 per cent (see Chart 1). Total archives posted to the web were 6,500 or 20 per cent of completed files (see Chart 2).

Chart 1: Digitization project goals and output – As of November 2020
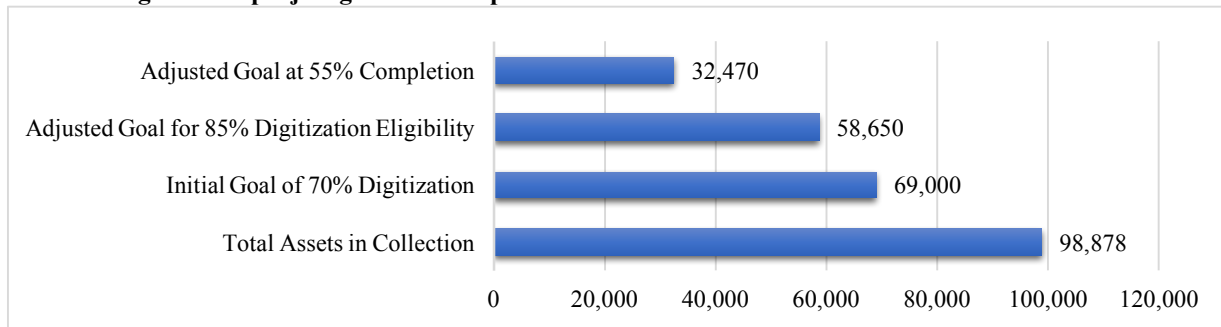
Source: DGC Oman Digitization Project Report 2020

Chart 2: Publication progress - Digitized assets posted to web as of November 2020
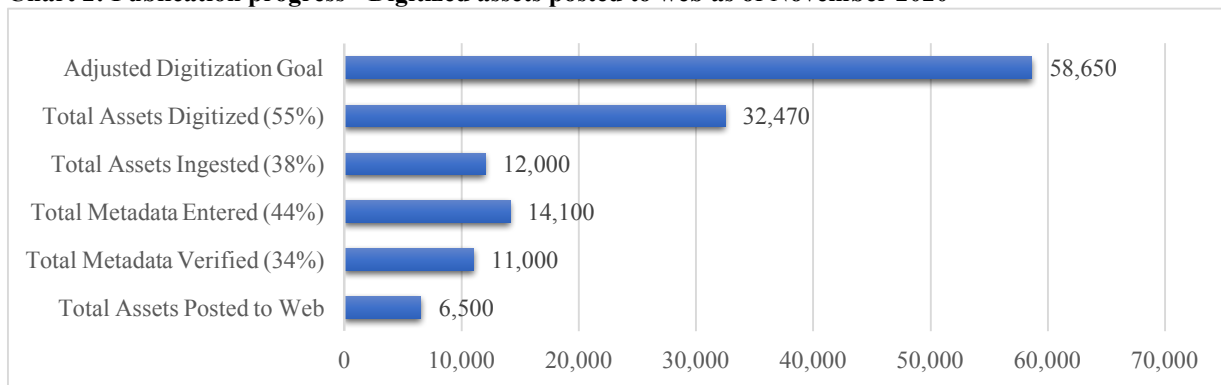
Source: DGC Oman Digitization Project Report 2020

41.   In addition, the project budget was running out of funds as of 31 December 2020. Between 2016 and 2020, $4.3 million out of the total donation of $4.5 million was consumed towards expenditure such as staff costs, contractual services, operational costs, equipment and programme support costs. DGC stated that an additional $1.8 million was required for completing the digitization project and maintaining the team of archivists, as well as engaging the external service provider to finalize the digitization of the remaining eligible collection.

42.   DGC also stated that the delays in completion were related to budgetary constraints, time-consuming technical processes, and Covid-19 pandemic-related issues such as remote working arrangements. Although data was gathered for the project, there were no KPIs which could be used to compare the progress and delays of the project across the years in relation to the consumed budget.

43.   Slow progress on digitization posed a risk of further deterioration and loss of the audio-visual archives. Digitization of the remaining assets needs to be accelerated to prevent further deterioration.

> **(7) The Department of Global Communications should establish and monitor key performance indicators including project progress, backlogs, and budget consumption relating to the project for digitization of the audio-visual archives to ensure that it is successfully completed.**
>
> *DGC accepted recommendation 7 and stated that the new oversight body will have the responsibilities mentioned in the recommendation.* Recommendation 7 remains open pending receipt of evidence of action taken to ensure successful completion of the digitization project.

IV.   ACKNOWLEDGEMENT

44.   OIOS wishes to express its appreciation to the management and staff of DGC 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 Trust Fund for Economic and Social Information in the Department of Global Communications

Rec. no.	Recommendation	Critical[2]/ Important[3]	C/ O[4]	Actions needed to close recommendation	Implementation date[5]
1	The Department of Global Communications should update the terms of reference of the Trust Fund for Economic and Social Information to ensure that it reflects the nature of project activities undertaken.	Important	O	Receipt of the updated terms of reference of the Trust Fund.	31 May 2022
2	The Department of Global Communications should: (i) formalize the role and functions of the Partnerships and Resource Mobilization Committee by issuing clear terms of reference highlighting its oversight responsibilities; (ii) establish a mechanism to follow up and document the implementation of the action points arising from the Committee's meetings; and (iii) ensure that the Committee's meetings are held regularly.	Important	O	Receipt of evidence of: (i) terms of reference for the body that will oversee the activities of the Trust Fund; (ii) establishment of a follow up mechanism for action points arising from the oversight body's meetings; and (iii) meetings held on a regular basis.	31 May 2022
3	The Department of Global Communications should: (i) develop guidelines on conducting evaluations for projects financed from the Trust Fund, including criteria for selection of projects for evaluation, and a budget for evaluations; and (ii) include the lessons learned from evaluations in its reports to donors.	Important	O	Receipt of: (i) guidelines on conducting evaluations for projects financed from the Trust Fund; and (ii) evidence of including lessons learned in reports to donors.	31 May 2022
4	The Department of Global Communications should: (i) develop a project document template to be used by its project managers consistently; and (ii) ensure that project cost plans are supported by a detailed breakdown of costs.	Important	O	Receipt of: (i) a project document template developed by DGC for use by its project managers; and (ii) evidence that project cost plans are supported by detailed breakdown of costs.	31 May 2022
5	The Department of Global Communications should ensure that due diligence checks are performed, documented and approved before accepting contributions from non-United Nations donors.	Important	O	Receipt of evidence that due diligence checks are performed, documented and approved before accepting contributions from non-United Nations donors.	31 May 2022
6	The Department of Global Communications should: (i) develop a policy for Trust Fund projects and include guidance on SMART (specific, measurable, achievable, relevant, time bound) key performance indicators to enable objective assessment of the	Important	O	Receipt of evidence that policy guidance has been issued to Trust Fund managers on: (i) developing KPIs for objective assessment of project activities; and (ii) conducting risk assessments of	31 May 2022

STATUS OF AUDIT RECOMMENDATIONS

Audit of the Trust Fund for Economic and Social Information in the Department of Global Communications

	impact of project activities; and (ii) conduct project risk assessments, develop risk mitigation measures, and implement a monitoring mechanism to ensure that Trust Fund projects are implemented in a timely manner.			Trust Fund projects to ensure timely mitigation of risks.	
7	The Department of Global Communications should establish and monitor key performance indicators including project progress, backlogs, and budget consumption relating to the project for digitization of the audio-visual archives to ensure that it is successfully completed.	Important	O	Receipt of evidence of action taken to ensure successful completion of the digitization project.	31 May 2022

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[2] 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.

[3] 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.

[4] Please note the value C denotes closed recommendations whereas O refers to open recommendations.

[5] Date provided by DGC in response to recommendations.

APPENDIX I

Management Response

TO: A:	Ms. Eleanor T. Burns, Director Internal Audit Division, OIOS	DATE:	11 June 2021

		REFERENCE:
FROM: DE:	Ms. Melissa Fleming, Under-Secretary-General Department of Global Communications	*Melissa Fleming*

SUBJECT: OBJET:	**Response to the draft report of an audit of the Trust Fund for Economic and Social Information in the Department of Global Communications: Assignment No. AG2021-580-01**

1. Referenced is made to your memo dated 28 May 2021 on the draft report on an audit of the Trust Fund for Economic and Social Information in the Department of Global Communications (Assignment No. AG2021-580-01). I would like to thank OIOS for having taken into account comments and concerns previously raised by the Department.

2. Attached, please find the completed Appendix I with our comments.

3. Thank you.

cc: Mr. Salon
      Ms. Lubega

Management Response

Audit of the Trust Fund for Economic and Social Information in the Department of Global Communications

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The Department of Global Communications should update the terms of reference of the Trust Fund for Economic and Social Information to ensure that it reflects the nature of project activities undertaken.	Important	Yes	Executive Officer	31 May 2022	Per guidance from the Finance Division, DGC will prepare the Terms of Reference which will cover the activities under the ESA trust fund for the review of the Finance Division and the approval of the Controller.
2	The Department of Global Communications should: (i) formalize the role and functions of the Partnerships and Resource Mobilization Committee by issuing clear terms of reference highlighting its oversight responsibilities; (ii) establish a mechanism to follow up and document the implementation of the action points arising from the Committee's meetings; and (iii) ensure that the Committee's meetings are held regularly.	Important	Yes	(i) Oversight body; (ii) and (iii) Chair of the PRMC	31 May 2022	Per para. 24 of the report, DGC notes that the role of the Partnerships and Resource Mobilization (PRM) Committee is coordination of partnerships and resource mobilization activities and not oversight of DGC's trust funds. The PRM Committee will, per (ii) establish a follow-up mechanism for action points and, per (iii) ensure meetings are held regularly DGC will develop Terms of Reference for an oversight body to provide oversight of the Trust Fund.
3	The Department of Global Communications should: (i) develop guidelines on conducting evaluations for projects financed from the	Important	Yes	Oversight body	31 May 2022	(i) DGC will develop guidelines in line with standard donor-funded projects, where evaluation resources

[1] 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.

[2] 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.

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	Trust Fund, including criteria for selection of projects for evaluation, and a budget for evaluations; and (ii) include the lessons learned from evaluations in its reports to donors.					are provided by donors as part of the project budget; (ii) Where evaluation funding has been provided, lessons learned will be included in donor reports.
4	The Department of Global Communications should: (i) develop a project document template to be used by its project managers consistently; and (ii) ensure that project cost plans are supported by a detailed breakdown of costs.	Important	Yes	Oversight body	31 May 2022	The Department will develop templates based on samples to be provided by the auditors, while exploring enterprise options available through Umoja.
5	The Department of Global Communications should ensure that due diligence checks are performed, documented and approved before accepting contributions from non-United Nations donors.	Important	Yes	Oversight body	31 May 2022	DGC will require due diligence checks, as part of the terms of reference for the oversight body, before accepting contributions from non-United Nations donors.
6	The Department of Global Communications should: (i) develop a policy for Trust Fund projects and include guidance on SMART (specific, measurable, achievable, relevant, time bound) key performance indicators to enable objective assessment of the impact of project activities; and (ii) conduct project risk assessments, develop risk mitigation measures, and implement a monitoring mechanism to ensure that Trust Fund projects are implemented in a timely manner.	Important	Yes	Oversight body	31 May 2022	New oversight body to be responsible for (i) and (ii)
7	The Department of Global Communications should establish and monitor key performance indicators including project progress, backlogs, and budget consumption relating to the project for digitization of the	Important	Yes	Oversight body	31 May 2022	New oversight body will have these responsibilities.

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	audio-visual archives to ensure that it is successfully completed.					