INTERNAL AUDIT DIVISION

AUDIT REPORT 2013/091

Audit of the United Nations Peacebuilding Support Office

Overall results relating to the effective support of the Peacebuilding Support Office to the Peacebuilding Commission and management of the Peacebuilding Fund were initially assessed as partially satisfactory. Implementation of five important recommendations remains in progress

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

8 November 2013
Assignment No. AP2012/605/01

CONTENTS

AUDIT REPORT

Audit of the United Nations Peacebuilding Support Office

I.   BACKGROUND

1.   The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Peacebuilding Support Office (PBSO).

2.   In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure: (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.

3.   PBSO was established in 2005 together with the Peacebuilding Commission. PBSO had two main mandates: (i) supporting the Peacebuilding Commission; and (ii) managing the Peacebuilding Fund (PBF). The administration of the PBF was subsequently entrusted to the United Nations Development Programme (UNDP) Multi-Partner Trust Fund modality that provided day-to-day financial administration services. Information posted on the UNDP/Multi-Partner Trust Fund Office (MPTFO) web-site for the PBF showed that from its inception through December 2012, PBF received contributions of approximately $519 million, and provided funding for peacebuilding projects totaling approximately $359 million, which was spent on projects that were either completed or in progress.

4.   PBSO was headed by an Assistant Secretary-General and had three substantive branches: the Peacebuilding Commission Support Branch; the Financing for Peacebuilding Branch; and the Policy, Planning and Application Branch. The PBSO budget for the biennium 2012-2013 totaled $10.1 million ($9.2 million for the 2010-2011 biennium), of which $5.2 million was funded from the regular budget ($4.6 million in 2010-2011), and $4.9 million was funded from extra-budgetary resources ($4.6 million in 2010-2011). There were 37 staff members in PBSO with 15 posts funded from the regular budget and 22 from extra-budgetary sources.

5.   Comments provided by PBSO and the Department of Management (DM) are incorporated in italics.

II.   OBJECTIVE AND SCOPE

6.   The audit was conducted to assess the adequacy and effectiveness of PBSO governance, risk management and control processes in providing reasonable assurance regarding the **effective support from the Peacebuilding Support Office to the Peacebuilding Commission and management of the Peacebuilding Fund.**

7.   This audit was included in the 2012 OIOS work plan due to the operational and reputational risks of not providing effective support to the Peacebuilding Commission and management of the PBF.

8.   The key controls tested for the audit were: (a) risk management and strategic planning; (b) coordinated management; and (c) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:

   (a)   **Risk management and strategic planning** - controls that provide reasonable assurance that risks and opportunities relating to the PBSO activities were identified and appropriate action

on developing strategies and work plans was taken to mitigate risks and seize opportunities to improve the PBSO support to the Peacebuilding Commission and its management of the Peacebuilding Fund.

(b)   **Coordinated management** - controls that provide reasonable assurance that PBSO was effectively coordinating with relevant partners within the Secretariat, other United Nations agencies and funds and programmes in providing operational advice and support to peacebuilding programmes.

(c)   **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) existed to guide the operations of PBSO in providing effective support to the Peacebuilding Commission and in tracking and monitoring the administration of the PBF; (ii) were implemented consistently; and (iii) ensured the reliability and integrity of financial and operational information.

9.   The key controls were assessed for the control objectives shown in Table 1.

10.   OIOS conducted this audit from October 2012 to March 2013. The audit covered the period from 1 January 2008 to 31 October 2012.

11.   OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III.   AUDIT RESULTS

12.   The PBSO governance, risk management and control processes examined were assessed as **partially satisfactory** in providing reasonable assurance regarding the **effective support from the Peacebuilding Support Office to the Peacebuilding Commission and management of the Peacebuilding Fund.** OIOS made five recommendations to address the issues identified. PBSO was implementing its mandates, had a forward-looking approach to identifying needs, and was assessing the impact of its programmes. However, to increase its effectiveness, PBSO would benefit from the formalization of the definition of the structure, roles and responsibility of the Peacebuilding Commission Working Group on Lessons Learned (WGLL). Additionally, there was a need for DM to clarify the correct approach to presenting the Peacebuilding Fund in the United Nations financial statements, and for PBSO to assign priority to the development of an information management tool to capture, manage and disseminate knowledge, lessons learned and best practices.

13.   The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of five important recommendations remains in progress.

Table 1: Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	**Accurate financial and operational reporting**	**Safeguarding of assets**	**Compliance with mandates, regulations and rules**
Effective support from the Peacebuilding Support Office to the Peacebuilding Commission and managing the Peacebuilding Fund	(a) Risk management and strategic planning	Partially satisfactory	Partially satisfactory	Satisfactory	Partially satisfactory
	(b) Coordinated management	Satisfactory	Satisfactory	Satisfactory	Satisfactory
	(c) Regulatory framework	Satisfactory	Partially satisfactory	Satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A.   Risk management and strategic planning

The support provided to the Peacebuilding Commission Working Group on Lessons Learned needed to be formalized

14.   PBSO was supporting the work of the Peacebuilding Commission WGLL, which was an instrument of the Peacebuilding Commission and was responsible for handling lessons learned and best practices on peacebuilding issues. However, a procedure to guide the work of the WGLL was not formally endorsed. While the formalization of the WGLL was a decision of the Organizational Committee of the Peacebuilding Commission, PBSO was in a position to propose to the Committee the WGLL structure, roles and responsibilities. If adopted, such proposal would ensure that PBSO support to the WGLL was sufficiently focused.

> **(1) PBSO should develop a proposal to the Organizational Committee of the Peacebuilding Commission that outlines the structure, roles and responsibilities of the Working Group on Lessons Learned for the Committee's consideration and approval.**
>
> *PBSO accepted recommendation 1 and stated that the elements for undertaking and completing this task were in place. Member States had to agree on undertaking the review and approval.* Recommendation 1 remains open pending receipt of a copy of the PBSO proposal to the Organizational Committee, outlining the structure, roles and responsibilities of the Peacebuilding Commission WGLL.

There was a need to align the Peacebuilding Support Office Results Framework with its Strategy

15.   The PBSO Strategy for 2012-2013 identified a goal for PBSO to become a 'Centre of Competence' at the cutting edge of United Nations thinking on peacebuilding. The PBSO Results Framework for 2012-2013, dated 5 April 2012, which outlined the expected results of the work of PBSO vis-à-vis the Strategy, did not include this objective.

> **(2) PBSO should, in developing its Results Framework for 2014-2015, ensure that all goals in future strategies are included in the Results Framework.**
>
> *PBSO accepted recommendation 2 and stated that it would ensure that all goals were included in the Results Framework developed for its 2014-2015 Strategy.* Recommendation 2 remains open pending receipt of a copy of the PBSO Results Framework and Strategy for 2014-2015 that includes all its goals.

B.   Coordinated management

Coordination mechanisms in the field were established

16.   PBSO had several coordination mechanisms, including the high-level Senior Peacebuilding Group, the working level Peacebuilding Contact Group, and the country-specific Joint Steering Committee. In addition, PBSO participated in various Inter-Agency coordination mechanisms, including Inter-Agency Task Forces. Overall adequate coordinated management was established.

C.   Regulatory framework

Monitoring of transactions processed by the Multi-Partner Trust Fund Office of the United Nations Development Programme was in place

17.   While UNDP through its MPTFO provided day-to-day financial administration of the Peacebuilding Fund, the PBSO Financing for Peacebuilding Branch used an electronic spreadsheet to track the status of the Fund. This was a good tool for monitoring Peacebuilding Fund transactions, and included, inter alia, detailed statistics on: (i) donor contributions; (ii) allocations and project approvals by quarter; (iii) reconciliation of projects and fund transfers to countries; and (iv) transfers to recipient organizations. The data was periodically reconciled with that available from MPTFO. OIOS concluded that PBSO had a good tool for monitoring the Peacebuilding Fund transactions.

Practices of financial reporting and auditing of the Peacebuilding Fund needed clarification

18.   The instruments that entrusted the day-to-day financial administration of the Peacebuilding Fund to UNDP established the Peacebuilding Fund as a United Nations asset. These included: (a) General Assembly resolution 60/287 of 8 September 2006; (b) a letter by the Secretary-General to the Administrator of UNDP dated 10 July 2006; and (c) a Memorandum of Understanding (MoU) between the United Nations and UNDP, dated 28 November 2006.

19.   Since 2006, the Peacebuilding Fund had not been shown in the United Nations financial statements. DM advised that UNDP had primary responsibility for maintaining the accounts of the Peacebuilding Fund; the contributions were received directly by UNDP and administered pursuant to UNDP's financial regulations and rules. DM was of the view therefore, that the income and expenditure of the Peacebuilding Fund did not form part of the financial statements of the United Nations but rather those of UNDP.

20.   Additionally, the revised Peacebuilding Fund's terms of reference (2009) established that the Fund would be subject solely to external and internal audit procedures of the United Nations. However, the revised MoU between the United Nations and UNDP, dated 28 January 2010, stated that the Fund would be subject to internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the Administrative Agent, i.e. UNDP. The revised MoU stated

that in case of any conflict between the terms of reference and the MoU, the terms of reference would prevail. Therefore, there was a contradiction between the documents that regulated the auditing authority of the Peacebuilding Fund. PBSO and DM were of the view that the revised MoU was not a contradiction of the terms of reference, but served to up-date and implement the Peacebuilding Fund's terms of reference by specifying that audit requirements could be undertaken by the Administrative Agent (UNDP). Notwithstanding, considering this up-date, PBSO needed to propose and obtain approval from the General Assembly of the change to the external and internal auditing procedures to those in the peacebuilding Fund's terms of reference.

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(3) DM should include in the United Nations financial statements disclosures presenting details of the Peacebuilding Fund. PBSO should also propose and obtain approval from the General Assembly of the update to the terms of reference of the Peacebuilding Fund.

DM accepted recommendation 3 and stated that it would introduce appropriate note disclosures in the International Public Sector Accounting Standards-compliant financial statements of the United Nations Volume 1, commencing for the period ending 31 December 2014. With regard to the up-date to the terms of reference, PBSO agreed to inform the General Assembly by June 2014 and committed to propose to the General Assembly a modification to take account of the audit arrangements at the next version of the terms of reference. Recommendation 3 remains open pending receipt of evidence that a disclosure note on the nature of the Peacebuilding Fund has been included in the United Nations financial statements and confirmation that PBSO have proposed and obtained approval of the up-date to the terms of reference.

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<u>Tools were needed for effective collection, analysis and dissemination of good practices and lessons learned</u>

21.   The revised Peacebuilding Fund terms of reference required that PBSO make active use of evaluations and lessons learned exercises to rapidly build up a body of knowledge and best practices. In addition, Item 2.3 of the PBSO Results Framework for 2012-2013 identified a role for PBSO and the Senior Peacebuilding Group to "…develop an approach and systems for documenting and communicating lessons learned and good practices".

22.   The PBSO Policy, Planning and Application Branch did not have the tools and staffing resources to develop and maintain a repository for collecting and disseminating lessons learned and/or good practices. Deploying such tools would facilitate the PBSO adherence to this aspect of the Peacebuilding Fund's terms of reference.

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(4) PBSO should assign priority to the development and/or deployment of an information management tool to capture, manage and disseminate knowledge, lessons learned and best practices.

PBSO accepted recommendation 4 and stated that it would identify and start to implement information and knowledge management tools intended to systematically capture, manage and disseminate, information and knowledge, lessons learned and good practices. Recommendation 4 remains open pending receipt of evidence that an improved information management system is in place.

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<u>Information management needed improvement</u>

23.	PBSO stored information on an office-wide, network-based, shared data drive. The information stored did not follow a uniform structure and file naming conventions. Standards for what information needed to be stored, duration of storage of information and other related information management features were also not in place. Instead each PBSO Desk Officer independently decided what information was necessary and in what format it was maintained. Therefore, for some countries there was insufficient information maintained centrally, and an unmitigated risk of difficulties in retrieving data when needed, if the designated Desk Officer was not available.

> **(5)	PBSO should develop a uniform, documented structure for storage and retrieval of relevant information on the Peacebuilding Fund projects, which is accessible to all interested parties within the Office.**
>
> *PBSO accepted recommendation 5 and stated that it would consult and commission research on designing and eventually deploying an information management system with key partners to ensure that the system integrated technologically and substantively with current and planned United Nations and UNDP systems used by PBSO. PBSO would also explore funding sources for developing and maintaining this system.* Recommendation 5 remains open pending receipt of evidence that PBSO have developed and implemented a system to facilitate the storage and retrieval of information on projects.

<u>Processes for evaluation and selection of projects were in place</u>

24.	OIOS reviewed 11 countries receiving funds from the Peacebuilding Fund, including all six countries on the Peacebuilding Commission's agenda, to determine if project identification, appraisal and monitoring systems complied with established policies and procedures. OIOS concluded that processes for evaluation and selection of projects, including established mechanisms such as the Joint Steering Committee and the Proposal Appraisal Committee, were adequate.

## IV.	ACKNOWLEDGEMENT

25.	OIOS wishes to express its appreciation to the Management and staff of the Peacebuilding Support Office and of the Department of Management for the assistance and cooperation extended to the auditors during this assignment.

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(*Signed*) David Kanja
Assistant Secretary-General for Internal Oversight Services

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STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Peacebuilding Support Office

Recom. no.	Recommendation	Critical[1]/ Important[2]	C/ O[3]	Actions needed to close recommendation	Implementation date[4]
1	PBSO should develop a proposal to the Organizational Committee of the Peacebuilding Commission that outlines the structure, roles and responsibilities of the Working Group for the Committee's consideration and approval.	Important	O	Receipt of a copy of the PBSO proposal to the Organizational Committee, outlining the structure, roles and responsibilities of the Peacebuilding Commission WGLL.	31 December 2014
2	PBSO should, in developing its Results Framework for 2014-2015, ensure that all goals in future strategies are included in the Results Framework.	Important	O	Receipt of a copy of the PBSO Results Framework and Strategy for 2014-2015 that includes all its goals.	30 June 2014
3	DM should include in the United Nations financial statements disclosures presenting details of the Peacebuilding Fund. PBSO should also propose and obtain approval from the General Assembly of the update to the terms of reference of the Peacebuilding Fund.	Important	O	Receipt of evidence that a disclosure note on the nature of the Peacebuilding Fund has been included in the United Nations financial statements, and confirmation that PBSO have proposed and obtained approval of the up-date to the terms of reference.	1 April 2015
4	PBSO should assign priority to the development and/or deployment of an information management tool to capture, manage and disseminate knowledge, lessons learned and best practices.	Important	O	Receipt of evidence that an improved information management system is in place.	30 June 2014
5	PBSO should develop a uniform, documented structure for storage and retrieval of relevant information on the Peacebuilding Fund projects, which is accessible to all interested parties within the Office.	Important	O	Receipt of evidence that PBSO have developed and implemented a system to facilitate the storage and retrieval of information in projects.	31 July 2014

[1] Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

[2] Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

[3] C = closed, O = open

[4] Date provided by PBSO and DM in response to recommendations.

APPENDIX I

Management Response

TO: Eleanor T. Burns, Chief, Peacekeeping Audit Service,   date: 24 September 2013
A: Internal Audit Division, OIOS

FROM: Judy Cheng-Hopkins,   **CONFIDENTIAL**
DE: Assistant Secretary-General for Peacebuilding Support

SUBJECT: Your memo of 28 August,
OBJET: Ref: IAD – 13 – 00468;
             Draft audit report on PBSO (assignment No AP2012/605/01)

1.   Thank you for sharing with me the draft report of the audit of the United Nations Peacebuilding Support Office.

2.   My colleagues and I have reviewed the draft report and have no further comments on the report.

3.   We have completed the action plan matrix as attached to this memo. Please note that there are some relevant comments, some of which have also been discussed with your colleagues.

CC: Mr. Yukio Takasu, Under-Secretary-General for Management
       Mr. Ejeviome Eloho Otobo, Director and Deputy Head of PBSO
       Mr. Pedro Guazo, Director, Accounts Division, OPPBA, DM
       Ms. Helene Thorup-Hayes, Senior Administrative Officer, OPPBA, DM
       Mr. Zachary Ikiara, Chief, Oversight and Coordination Support Unit, DM
       Ms. Anna Halasan, Professional Practices Section, Internal Audit Division, OIOS

MANAGEMENT RESPONSE

Audit of the United Nations Peacebuilding Support Office

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	PBSO should develop a proposal to the Organizational Committee of the Peacebuilding Commission that outlines the structure, roles and responsibilities of the Working Group for the Committee's consideration and approval. Once formalized and adopted, the role of PBSO in support of the Working Group on Lessons Learned would be clearly defined, increasing its efficiency and effectiveness.	Important	Yes	Senior Peacebuilding Officer, PBC Support Branch PBSO	Depending on when Member States will complete the process (tentatively before end 2014)	The elements for undertaking and completing this task are in place. But Member States have to agree on undertaking the review and approving the issues outlined in the recommendation
2	PBSO should, in developing its Results Framework for 2014-2015, should ensure that all goals in future strategies are included in the Results Framework.	Important	Yes	Chief, Policy, Planning and Application Branch, PBSO	June 2014	PBSO will develop a strategy for the office for 2014-15 and will ensure that all goals will be included in the Results Framework developed for the Strategy.
3	The Department of Management should include in the United Nations financial statements disclosures presenting details of the Peacebuilding Fund. The Department of Management should also propose and obtain approval from the General Assembly of the update to the terms of reference of the Peacebuilding Fund.	Important	Yes	Chief Financing for Peacebuilding, PBSO	June 2014	We agree with the Department of Management (see para 23) that the MoU of 2010 (between the UN and UNDP's Multi-Partner Trust Fund Office (MPTF Office)) serves to update and implement the Terms of Reference (A/63/818) by specifying that audit requirements therein will be undertaken by the Administrative Agent (i.e. UNDP). However, PBSO undertakes to inform the

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[1] Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.
[2] Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

MANAGEMENT RESPONSE

Audit of the United Nations Peacebuilding Support Office

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						General Assembly by June 2014 of these audit arrangements. PBSO also commits to proposing a modification to take account of the audit arrangements at the next revision of the Terms of Reference and in this way obtain the General Assembly's approval. The Fund is undergoing a global, independent review in 2013/2014 which may result in recommendations to change the Terms of Reference, which could provide that occasion.
4	PBSO should assign priority to the development and/or deployment of an information management tool to capture, manage and disseminate knowledge, lessons learned and best practices.	Important	Yes	, Chief, Policy, Planning and Application Branch, PBSO	June 2014	PBSO will identify and start to implement information and knowledge management tools intended to systematically capture, manage and disseminate, internally and externally, information and knowledge, lessons learned and good practices, covering the full spectrum of PBSO's mandate.
5	PBSO should develop a uniform, documented structure for storage and retrieval of relevant information on the Peacebuilding Fund projects, which is accessible to all interested parties within the Office.	Important	Yes	Senior Programme Officer Financing for Peacebuilding, PBSO	July 2014	PBSO, as fund manager, will consult and commission research on the design and eventual deployment of an integrated Information Management System (IMS) for the Peacebuilding Fund (PBF). Special efforts will be made to consultation, among other key actors, with the Multi-Partner Trust Fund Office, UNDP (PBF administrative agent) to ensure effective integration of the

MANAGEMENT RESPONSE

Audit of the United Nations Peacebuilding Support Office

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						proposed IMS with the Gateway virtual database platform with PBF project data/information, and to seek guidance from ICT Department, UN Secretariat to ensure system compliance with corporate-wide IT requirements. In addition, PBSO will also explore and identify possible funding sources for the IMS project and its maintenance thereafter. There will be consultations with ICT (and now to include UMOJA) in the key activities of phase 1 of the design of the proposed system.

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TO: Ms. Eleanor Burns, Chief   DATE: 1 October 2013
A: Peacekeeping Audit Service, Internal Audit Division
Office of Internal Oversight Services

THROUGH: Christian Saunders, Director
S/C DE: Office of the Under-Secretary-General for Management

FROM: Maria Báez, Chief, Policy and Oversight Coordination Service
DE: Office of the Under-Secretary-General for Management

SUBJECT: **Draft report on an audit of the United Nations Peacebuilding Support Office**
OBJET: **(Assignment No. AP2012/605/01)**

    1.   In response to your memorandum dated 28 August 2013 on the above subject, we are pleased to provide the comments of the Department of Management to Recommendation no. 3 in the draft report in Appendix I.

    2.   This memorandum supersedes the one that was sent to you on 12 September 2013.

    3.   Thank you for providing us with the opportunity to comment on the draft report.

13-02501
2 Oct 2013

APPENDIX I

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	PBSO should develop a proposal to the Organizational Committee of the Peacebuilding Commission that outlines the structure, roles and responsibilities of the Working Group for the Committee's consideration and approval. Once formalized and adopted, the role of PBSO in support of the Working Group on Lessons Learned would be clearly defined, increasing its efficiency and effectiveness.	Important				
2	PBSO should, in developing its Results Framework for 2014-2015, should ensure that all goals in future strategies are included in the Results Framework.	Important				
3	The Department of Management should include in the United Nations financial statements disclosures presenting details of the Peacebuilding Fund. The Department of Management should also propose and obtain approval from the General Assembly of the update to the terms of reference of the Peacebuilding Fund.	Important	Yes	Director of the Accounts Division, OPPBA	1 April 2015	The Administration will introduce appropriate note disclosures on the PBF in the IPSAS-compliant financial statements of UN Volume 1, commencing for the period ending 31 December 2014. The responsibility for the accounting and reporting of the PBF continue to reside with UNDP.

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[1] Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

[2] Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						The Memorandum of Understanding between the United Nations and UNDP's Multi-Partner Trust Fund Office, dated 28 January 2010, states that the PBF is subject to the internal and external auditing procedures laid down in the Financial Regulations and Rules (FR&R), directives and procedures of UNDP. (Update of para. 6.5 of the Annex to A/63/818). Under the current arrangements, UNDP has primary responsibility for maintaining the accounts of the PBF; the contributions to the PBF are received directly by UNDP and administered pursuant to UNDP's FR&R. Consequently, the income and expenditures of the PBF do not form part of the financial statements of the United Nations but rather those of UNDP and the external audit process is conducted accordingly. With regard to the second part of the recommendation that the Department of Management (DM) should propose and obtain approval from the General Assembly for the update of the ToR, it should be noted that this is not the responsibility of DM. However, PBSO has informed DM that it

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						intends to inform the General Assembly by June 2014 of these audit arrangements, and that it will propose a modification of the ToR to that effect at the next revision for approval by the Assembly. PBSO notes that the PBF is undergoing a global, independent review in 2013/2014 which may result in recommendations to revise the ToR, which could provide such an occasion.
4	PBSO should assign priority to the development and/or deployment of an information management tool to capture, manage and disseminate knowledge, lessons learned and best practices.	Important				
5	PBSO should develop a uniform, documented structure for storage and retrieval of relevant information on the Peacebuilding Fund projects, which is accessible to all interested parties within the Office.	Important				