



Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2014/076

Audit of quick-impact projects in the United Nations Operation in Côte d'Ivoire

**Overall results relating to the effective
management of quick-impact projects in the
United Nations Operation in Côte d'Ivoire
were initially assessed as partially
satisfactory. Implementation of six important
recommendations remains in progress**

**FINAL OVERALL RATING: PARTIALLY
SATISFACTORY**

8 August 2014

Assignment No. AP2013/640/08

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AUDIT REPORT

Audit of quick-impact projects in the United Nations Operation in Côte d'Ivoire

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of quick-impact projects (QIPs) in the United Nations Operation in Côte d'Ivoire (UNOCI).
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. QIPs were small-scale, rapidly implementable projects of benefit to the population, and were used by UNOCI to establish and build confidence in the Mission, its mandate and the peace process, thereby improving the environment for effective mandate implementation.
4. The UNOCI Civil Affairs Section was responsible for the management of the QIP programme and was headed by a Chief at the P-5 level. UNOCI had a QIP Secretariat that comprised three staff of the Civil Affairs Section. The QIP Secretariat coordinated project identification and reviewed project proposals before submitting them to the Project Review Committee for evaluation and selection. A total of 191 QIPs valued at about \$4 million were approved and undertaken in fiscal years 2011/12 and 2012/13.
5. Comments provided by UNOCI are incorporated in italics.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of UNOCI governance, risk management and control processes in providing reasonable assurance regarding the **effective management of QIPs in UNOCI**.
7. The audit was included in the OIOS 2013 risk-based work plan because of reputational, operational and financial risks associated with the implementation of QIPs.
8. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this key control as the one that provides reasonable assurance that policies and procedures: (a) exist to guide the management of QIPs; (b) are implemented consistently; and (c) ensure the reliability and integrity of financial and operational information.
9. The key control was assessed for the control objectives shown in Table 1.
10. OIOS conducted this audit from October to December 2013. The audit covered the period from 1 July 2011 to 30 June 2013.
11. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key control 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 UNOCI governance, risk management and control processes examined were initially assessed as **partially satisfactory**¹ in providing reasonable assurance regarding the **effective management of QIPs in UNOCI**. OIOS made seven recommendations to address issues identified in the audit. UNOCI ensured that QIPs: were consistent with the thematic and geographic priorities that were in line with UNOCI mandates; met established policy criteria; and followed the required project financial procedures. However, UNOCI needed to: (a) improve project selection and approval processes; (b) reduce delays in starting projects; (c) strengthen the monitoring of projects; (d) enhance project visibility; (e) annually evaluate the QIPs programme; and (f) integrate QIPs into staff work plans and performance evaluations.

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

Table 1: Assessment of key control

Business objective	Key control	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of QIPs in UNOCI	Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

Regulatory framework

Quick-impact projects were developed and implemented in line with the priorities of the Mission's mandate

14. The Department of Peacekeeping Operations/Department of Field Support ((DPKO/DFS) Policy and Guidelines on QIPs required missions to ensure that QIPs were developed and implemented in line with the geographic and thematic priorities of their mandates. Moreover, QIPs were to be selected based on at least one of the three criteria: (a) promoting acceptance of mandated tasks; (b) building confidence in the peace process; and (c) generating support for the mission.

15. UNOCI established a Project Review Committee that was responsible for ensuring that QIPs were in line with geographical and thematic priorities of UNOCI and met at least one of the required three criteria. The 191 QIPs approved for implementation during the fiscal years 2011/12 and 2012/13 were

¹ Partially satisfactory overall ratings apply to audit results concluding that important (but not critical) deficiencies exist 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.

consistent with the Mission's geographic and thematic priorities. A review of 40 of the 191 QIPs indicated that they met at least one of the required three criteria. OIOS concluded that QIPs were implemented in line with the Mission's priorities and met the DPKO/DFS established criteria.

There was a need to strengthen the project selection and approval process

16. The DFKO/DFS Guidelines on QIPs required that adequate time be provided to members of the Project Review Committee to ensure adequate review and evaluation of proposals. Also, the DPKO/DFS Policy on QIPs required that the selection of projects be based on the quality of project proposals.

17. Twelve of 40 project proposals totaling \$281,592 were approved by the Committee without adequate supporting documentation such as detailed budgets/cost estimates and pro-forma invoices. This resulted as Committee members did not adequately evaluate proposals to ensure all relevant documents were submitted and because UNOCI had not established appropriate timelines for the review of QIP proposals by Committee members. For example, five QIP proposals were received by Committee members a day before the scheduled meeting.

18. The compressed timelines for the review process, as well as the inadequate monitoring of QIPs referred to later in the present report, resulted in delays in completing the projects and in budget overruns. For example, the Project Review Committee approved a construction project at an initial cost of \$22,415 without having sufficient time to evaluate the technical advice of the Engineering Section that the project cost was understated. As a result of inaccurate cost estimates, the executing agency stopped implementation of the project for about six months as additional funding of \$4,495 was needed when the project was about 60 per cent complete.

(1) UNOCI should establish appropriate timelines for the submission of project proposals to the Project Review Committee.

UNOCI accepted recommendation 1 and stated that timelines would be included in the new standard operating procedures on QIPs for compliance by focal points. These procedures were expected to be finalized and approved by 31 December 2014. Recommendation 1 remains open pending receipt of a copy of the new standard operating procedures reflecting appropriate project submission timelines.

Project start dates did not comply with the established policy and guidelines

19. The DPKO/DFS Policy on QIPs required projects to start upon receipt by the executing agency of the first installment. However, UNOCI required projects to start only in the presence of a project focal point regardless of when the executing agency received the first installment of project funding.

20. Forty projects were delayed by an average of one month after the executing agencies received their first installment. The delays resulted due to the UNOCI requirement for projects to start in the presence of the UNOCI project focal point regardless of when the executing agencies received the first installment of project funding. Consequently in some cases, implementing agencies held on to project funds for several months prior to the start of the project. This increased the risk of executing agencies utilizing United Nations funds for non-QIP related activities.

(2) UNOCI should review the necessity for the quick-impact project focal point to be present at the start of the project.

UNOCI accepted recommendation 2 and stated that it was organizing sensitization sessions for project focal points to ensure improved follow-up of projects, including their presence during the commencement of projects. Based on the action taken by UNOCI, recommendation 2 has been closed

Financial management procedures for quick-impact projects were in place

21. The DPKO/DFS Policy on QIPs required that: (a) the entire project amount be obligated; (b) first installment payment not to exceed 80 per cent of the project amount; and (c) further installment payments be made after monitoring visits and the receipt of accurate and complete expenditure reports.

22. A review of 40 projects, including 35 completed projects, indicated that: (i) project costs were accurately obligated on receipt of signed memoranda of understanding; (ii) the first instalment did not exceed 80 per cent of total project costs; (iii) final payments were accurately made to executing agencies after closure visits and receipt of expenditure reports; and (iv) direct payments to contractors were authorized by executing agencies. OIOS concluded that QIPs were processed in accordance with established financial management procedures.

Monitoring of projects needed improvement

23. The DPKO/DFS Guidelines on QIPs required missions to regularly monitor executing agencies, and undertake at least one site visit during project implementation for the purpose of quality control and timeliness. Also, where possible, missions needed to allocate engineering expertise to review and provide technical support to projects. Moreover, final project monitoring forms needed to be completed prior to release of remaining funds to implementing partners.

24. A review of 28 construction projects indicated that staff members from the Engineering Section or others with technical expertise were not involved in monitoring and assessing the quality of these projects due to other work priorities. As a result, the quality of construction QIPs were sometimes poor as six projects had construction flaws resulting in leaking roofs and cracked floors.

25. Project monitoring by focal points was not systematic. For 14 out of the 28 construction projects reviewed, there were no project monitoring reports. This was because some project focal points had not been adequately trained on their monitoring responsibilities, including project site visits to review and address issues arising from QIPs implementation. The lack of systematic monitoring impacted on executing agencies' efficiency and effectiveness in implementing projects.

26. Additionally, the 14 construction projects with project monitoring reports indicated that UNOCI did not always address project implementation issues identified during site visits. For example, a project focal point identified a contractor that was not performing in accordance with the terms of the agreement. However, the QIP Secretariat, despite being aware of the problem, did not bring it to the attention of the Project Review Committee. As a result, no action was taken against the contractor, who had used inferior materials, causing water to leak into three rehabilitated classrooms. The contractor was thus paid in full for substandard work.

(3) UNOCI should implement procedures to regularly monitor quick-impact projects and report on results of monitoring reviews, and ensure that technical support is provided when necessary to improve the quality of implementation and time taken to complete projects.

UNOCI accepted recommendation 3 and stated that project monitoring was regularly done by project focal points, but the new standard operating procedures would require that monitoring reports be maintained in project files. Also, the standard operating procedures would require advice and support of the Engineering Section on construction/rehabilitation projects. Recommendation 3 remains open pending receipt of a copy of the revised standard operating procedures and evidence of the preparation of monitoring reports and involvement of the Engineering Section in project monitoring.

(4) UNOCI should provide training to quick-impact project focal points and other mission personnel involved in the programme to ensure adequate execution of their responsibilities in all phases of the project management cycle.

UNOCI accepted recommendation 4 and stated that training and continuous sensitization had been organized for project focal points in Abidjan, including the military. Also, UNOCI stated that although funds were not allocated for the training of field-based project focal points, it would request for a specific training budget in the next budget submission. Recommendation 4 remains open pending receipt of evidence that project officers and mission personnel involved in QIP activities have received appropriate training.

More efforts needed to enhance project visibility

27. The DPKO/DFS Policy and Guidelines on QIPs required projects to be visible to the local population and appropriately publicized during implementation and successful completion.

28. From the 16 available monitoring reports, 8 reports indicated that the respective focal points had reported the need for increased visibility. OIOS visits to construction projects indicated that seven of nine QIPs visited did not have a visibility board to show that the projects were undertaken by UNOCI. This resulted because: (a) project focal points did not ensure that executing agencies placed visibility boards at project sites as required by the memorandum of understanding; and (b) the QIP Secretariat on reviewing the project monitoring reports did not take action to properly implement required visibility measures. As a result, UNOCI was not adequately publicizing QIPs, impacting on the visibility of these projects to the local population.

(5) UNOCI should increase public awareness and project visibility by erecting UNOCI visibility boards in project sites.

UNOCI accepted recommendation 5 and stated that maintaining communication and visibility billboards was the responsibility of implementing partners pursuant to the relevant provisions of the signed memorandum of understanding. UNOCI would include in the new standard operating procedures the need for a public information strategy on QIPs to ensure systematic coverage and monitoring of implementing partners for compliance with the visibility requirement. Recommendation 5 remains open pending receipt of evidence that the new standard operating procedures include a publicity strategy and monitoring of implementing partners for compliance with the visibility requirement.

There was a need to conduct annual evaluation of the quick-impact project programme

29. The DPKO/DFS Policy on QIPs required the QIPs management team, in coordination with the Project Review Committee, to annually evaluate the programme. The Policy also stated that missions with ongoing QIP programmes may periodically facilitate an external evaluation of the impact of the programme if required. Requests for funds for external evaluations not exceeding \$20,000 per evaluation should be made through proposed budgets with appropriate justifications, and will be subject to General Assembly approval.

30. UNOCI did not conduct annual evaluations of the QIPs programme to assess its impact and identify future confidence-building needs, problems, best practices and lessons learned. UNOCI advised that the Project Review Committee discussed the need for an annual evaluation but concluded that the QIP Secretariat did not have the resources to conduct the evaluation. OIOS noted that the revised DPKO/DFS policy on QIPs approved on 21 January 2013 provided for missions to make a request for an amount, not exceeding \$20,000 through the proposed QIPs budget with appropriate justification for an external evaluation.

(6) UNOCI should allocate resources to evaluate the quick-impact projects programme annually to assess its efficiency and impact.

UNOCI accepted recommendation 6 and stated that a specific budget for an external evaluator needed to be made. However, for an internal evaluation, UNOCI would budget for a specific monitoring and evaluation training and in-mission travel for the QIPs Coordinator to conduct field evaluations. Recommendation 6 remains open pending receipt of evidence that UNOCI has conducted an annual evaluation of its quick-impact projects programme.

Integration of quick-impact projects into staff work plans and performance evaluations was needed

31. The DPKO/DFS Policy on QIPs required that QIPs be integrated into work plans and performance evaluations of mission personnel who had responsibilities in QIP activities.

32. UNOCI had 18 QIP focal points who were involved in project management activities. For 4 of the 18 focal points, QIP activities were adequately integrated into their work plans and performance evaluations. However, 8 focal points did not have their QIP responsibilities in their work plans and performance evaluations. The remaining 6 focal points were unable to present their work plans. The absence of QIP activities in focal point work plans and performance evaluations resulted due to inadequate awareness of policy requirements by focal point supervisors and management. The lack of QIP integrated work plans and performance evaluations made it difficult to monitor and report on focal points performance.

(7) UNOCI should implement procedures to ensure that staff members with responsibilities for quick-impact projects have these responsibilities included in their work plans and performance evaluations.

UNOCI accepted recommendation 7 and stated that the requirement to integrate QIPs into the work plans and performance evaluations of concerned Mission personnel would be included in the new standard operating procedures. Recommendation 7 remains open pending receipt of evidence that QIPs have been integrated into the work plans and performance evaluations of concerned staff.

The Mission did not have specific procedures for the management of quick-impact projects

33. The DPKO/DFS Policy and Guidelines on QIPs required missions to design and establish effective mechanisms and procedures for the management of QIPs that were appropriate for their mission context. A review of the QIPs programme indicated the need for UNOCI to develop Mission-specific guidelines. OIOS noted that UNOCI was in the process of developing new standard operating procedures to guide staff in effectively implementing the programme. Based on this, no recommendation was made.

IV. ACKNOWLEDGEMENT

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

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

STATUS OF AUDIT RECOMMENDATIONS

Audit of quick-impact projects in the United Nations Operation in Côte d'Ivoire

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNOCI should establish appropriate timelines for the submission of project proposals to the Project Review Committee.	Important	O	Receipt of a copy of the new standard operating procedures with the appropriate timelines.	31 December 2014
2	UNOCI should review the necessity for the quick-impact project focal point to be present at the start of the project.	Important	C	Action taken.	Implemented
3	UNOCI should implement procedures to regularly monitor quick-impact projects and report on results of monitoring reviews, and ensure that technical support is provided when necessary to improve the quality of implementation and time taken to complete projects.	Important	O	Receipt of a copy of the revised standard operating procedures and evidence of the preparation of monitoring reports and involvement of the Engineering Section in project monitoring.	31 December 2014
4	UNOCI should provide training to quick-impact project focal points and other mission personnel involved in the programme to ensure adequate execution of their responsibilities in all phases of the project management cycle.	Important	O	Receipt of evidence that project officers and mission personnel involved in QIP activities have received appropriate training.	30 June 2015
5	UNOCI should increase public awareness and project visibility by erecting UNOCI visibility boards in project sites.	Important	O	Receipt of evidence that the new standard operating procedures include a publicity strategy and monitoring of implementing partners for compliance with the visibility requirement.	31 December 2014
6	UNOCI should allocate resources to evaluate the quick-impact projects programme annually to assess its efficiency and impact.	Important	O	Receipt of evidence that UNOCI has conducted an annual evaluation of its quick-impact projects programme.	30 June 2015

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 UNOCI

STATUS OF AUDIT RECOMMENDATIONS

Audit of quick-impact projects in the United Nations Operation in Côte d'Ivoire

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
7	UNOCI should implement procedures to ensure that staff members with responsibilities for quick-impact projects have these responsibilities included in their work plans and performance evaluations.	Important	O	Receipt of evidence that QIPs have been integrated into the work plans and performance evaluations of concerned staff.	30 September 2014

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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 UNOCI

APPENDIX I

Management Response



MEMORANDUM INTERNE

INTEROFFICE MEMORANDUM

TO: Eleanor T. Burns, Director
Internal Audits Division OIOS

DATE: 21 July 2014.

COPY: Babacar Cissé, DSRSG/1
COPIE: Robert Cannon, CMS
Carlos Polcaro, CISS
Maud Ropars, Chief Civil Affairs, Officer-in-Charge
Jasmin Kanza, Audit Focal Point
Anna Halasan, Professional Practices Section, Internal Audit Division, OIOS

FROM: Aïchatou Mindaoudou, SRSG
DE: United Nations Operation in Côte d'Ivoire

SUBJECT: Draft report on an audit of quick-impact projects in the United Nations
OBJET: Operation in Côte d'Ivoire (Assignment No. AP2013/640/08)

Reference is made to your Interoffice Memorandum of 24 June requesting UNOCI to review to draft report on an audit of quick-impact projects (QIPs). Please find attached our comments in connection with the "*Appendix 1 Management Response*".

Best regards.

Encl:
Appendix 1 "Management Response"

APPENDIX I

Management Response
Audit of quick-impact projects in the United Nations Operation in Côte d'Ivoire

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNOCI should establish appropriate timelines for the submission of project proposals to the Project Review Committee.	Important	Yes	Project Review Committee	31 December 2014	Timelines will be reflected in the new standard operating procedures, which will foster compliance by Mission components' focal points. The new standard operating procedures are expected to be finalized and endorsed by United Nations Headquarters, New York, before the end of the year 2014.
2	UNOCI should review the necessity for the quick-impact project focal point to be present during the commencement of the project.	Important	Yes	Project Review Committee	30 June 2014	Sensitization sessions will be organized for Mission components' focal points for a better follow-up of the projects including being present during the commencement of the latter.
3	UNOCI should implement procedures to regularly monitor quick-impact projects and report on results of monitoring reviews, and ensure that technical support is provided when it is necessary to improve the quality of implementation and time taken to complete projects.	Important	Yes	Project Review Committee	31 December 2014	Monitoring is regularly made by Mission components' focal points until the completion of the projects. The new standard operating procedures will include provisions of requirements of written monitoring reports to be added to the projects' files. Additionally, the advice and support provided by UNOCI Engineering section will be requested and formalized in the new standard operating procedures, when projects will cover rehabilitation works.
4	UNOCI should provide training to quick-impact project focal points and other mission personnel involved in the programme to ensure adequate execution of their responsibilities in all phases of the project management cycle.	Important	Yes	Quick-impact project (QIP) Secretariat	30 June 2015	Trainings and continuous advice have already been organized for the Mission components' focal points in Abidjan including the Military. However, no training funds for that particular matter was allocated for field based focal points. The request for a specific training budget will be made for next fiscal year 2014/2015.

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 quick-impact projects in the United Nations Operation in Côte d'Ivoire

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
5	UNOCI should increase public awareness and project visibility by erecting UNOCI visibility boards in project sites.	Important	Yes	Mission components QIP focal points. QIP Secretariat	31 December 2014	Communication and visibility billboards are the responsibility of the implementing partner pursuant to the relevant provisions of the signed Memorandum of Understanding. Inaugurations are usually attended by UNOCI Senior Leadership as well as local authorities. Media coverage is undertaken by UNOCI Public Information Office. After a few years, signs may disappear because mainly painted on walls or boards. Regarding donations of equipment, the provision of labels was requested to administration but no funding was yet provided for a grouped purchase (not affected to single projects budgets or sections). The QIPs' Secretariat will continue to advocate so that a solution is found for those labels. The new standard operating procedures will mention the need for a specific Public Information Office strategy on QIPs to ensure a systematic coverage and for the mission components' focal points to monitor the compliance by implementing partners of visibility requirements.
6	UNOCI should allocate resources to evaluate the quick-impact projects programme annually to assess its efficiency and impact.	Important	Yes	QIP Secretariat	30 June 2015	The use of QIPs' fund to conduct an external evaluation not being allowed in the QIPs Guidelines, a specific budget for an individual contractor is to be allocated, or if the evaluation is conducted internally, a specific monitoring and evaluation training for the QIP Coordinator is to be budgeted for with additional in mission travel budget to conduct field evaluations.

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 quick-impact projects in the United Nations Operation in Côte d'Ivoire

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
7	UNOCI should implement procedures to ensure that staff members with responsibilities for quick-impact projects have these responsibilities included in their work plans and performance evaluations.	Important	Yes	QIP Secretariat and Section Chiefs	30 September 2014	This will be included in the new coming standard operating procedures.

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.