



INTERNAL AUDIT DIVISION

REPORT 2019/085

Audit of the enterprise risk management process in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

There was a need to enhance senior leadership involvement in effective and systematic management of Mission-wide risks

**20 September 2019
Assignment No. AP2019/620/10**

Audit of the enterprise risk management process in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the enterprise risk management (ERM) process in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO). The objective of the audit was to assess the adequacy and effectiveness of the ERM process in MONUSCO. The audit covered the period from 1 January 2017 to 31 March 2019 and included a review of: ERM governance and organizational structure; implementation of the ERM process; monitoring and reporting of risks; and management of risks and opportunities related to increased authorities delegated to the Special Representative of the Secretary-General (SRSG).

MONUSCO had various mechanisms in place to manage its operational-level risks and had established a Resilience and Risk Management Committee (RRMC). However, the Mission needed to strengthen oversight over the ERM process to ensure effective and systematic management of Mission-wide risks.

OIOS made eight recommendations. To address issues identified in the audit, MONUSCO needed to:

- Enhance senior leadership involvement in and oversight of the ERM process to ensure, in particular, the development and implementation of a Mission-wide ERM plan and proper functioning of the RRMC;
- Review and take appropriate action on the adequacy of staff resources and reporting structure of the risk management function;
- Clearly define risk management roles and responsibilities assigned to the Senior Mission Planning Officer and Audit Response Unit;
- Increase staff awareness of the ERM process and conduct a needs assessment for the provision of training to staff with key ERM responsibilities;
- Ensure a coordinated and comprehensive risk identification and assessment process with inputs from all relevant Mission components;
- Ensure coordination between the substantive and support components of the Mission to develop and implement a comprehensive risk treatment and response plan that adequately covers all risks identified;
- Implement a monitoring and reporting mechanism to ensure that Mission-wide risks and mitigating measures are regularly reviewed, re-evaluated and updated, and senior leadership is kept informed about the status of key risks; and
- Identify and assess risks and opportunities related to the exercise of increased authorities delegated to the SRSG and those sub-delegated to other staff and implement appropriate mitigating measures for identified risks, including monitoring mechanisms.

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

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Audit of the enterprise risk management process in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit the enterprise risk management (ERM) process in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO).
2. The United Nations faces high risks owing to the complexity of its operations and mandates. A comprehensive risk management and internal control system is critical to the Organization's ability to deliver on its mandate, especially due to ongoing management reforms intended to improve effectiveness and strengthen accountability by aligning responsibilities for mandate implementation with the authority to manage resources.
3. ERM is a systematic and holistic approach to risk management that supports an organization's achievement of strategic objectives by proactively identifying, assessing, evaluating, prioritizing and controlling risks across the organization. Risk management is a core responsibility of management.
4. General Assembly resolution 64/259 of 5 May 2010 requested the Secretary-General to enhance the Organization's capabilities for risk assessment and mitigation and the associated internal controls. In May 2011, the Management Committee approved the Organization's ERM and Internal Control Policy and Methodology (the ERM framework) which provided a systematic and common approach for assessing, treating, monitoring and communicating strategic and operational risks. Security Council resolution 71/283 of 20 April 2017 required the Secretary-General to ensure comprehensive implementation of ERM in all peacekeeping operations. Also, to support the new management paradigm and enhanced accountability system, the Secretary-General in his report A/72/773 of 1 March 2018 called for enhanced risk management systems, including the implementation of ERM by all departments, offices and missions.
5. The Strategic Planning Cell in the Office of the Mission Chief of Staff (MCOS) and the Audit Response Unit in the Office of the Director of Mission Support (DMS) are responsible for coordinating risk management and compliance matters in the Mission. A Senior Planning Officer at the P-5 level heads the Strategic Planning Cell and reports to MCOS. The Cell has four approved posts consisting of three international and one national staff. The Audit Response Unit has three approved posts consisting of two international and one national staff, and reports to the DMS through the Senior Administrative Officer.
6. MONUSCO also has a Resilience and Risk Management Committee (RRMC), established in April 2018, to provide oversight of the risk management and organizational resilience functions. The Committee is chaired by MCOS and is comprised of 14 members representing all Mission components.
7. Comments provided by MONUSCO are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess the adequacy and effectiveness of the ERM process in MONUSCO.

9. This audit was included in the 2019 risk-based work plan of OIOS due to the risk that potential weaknesses in the ERM process may impair the achievement of MONUSCO's mandate and objectives.

10. OIOS conducted this audit from March to May 2019. The audit covered the period from 1 January 2017 to 31 March 2019. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the ERM process, which included: ERM governance and organizational structure; implementation of the ERM process; monitoring and reporting of risks; and management of risks and opportunities related to implementation of the new delegation of authority (DoA).

11. The audit methodology included: (a) interviews of key personnel; (b) review of the risk register and other relevant documentation; (c) analytical review of data, and (d) sample testing of 30 reports and related documents of the Mission Leadership Team (MLT) meetings.

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

III. AUDIT RESULTS

A. Governance and organizational structure

Need for involvement of senior leadership in implementing ERM effectively and systematically

13. Clearly defined and appropriate ERM governance and oversight mechanisms, including commitment and involvement of senior leadership, are essential to ensure that Mission-wide risks are effectively managed to achieve strategic and operational objectives, and that the ERM process is adequately embedded into the Mission's strategic planning and decision-making processes. Instructions issued by the Department of Field Support (DFS)¹ in 2016 called for the establishment of a Risk Management Committee with representation from across the Mission to oversee and monitor risk management activities and validate and prioritize Mission-wide risks.

14. MONUSCO had various mechanisms in place to manage operational-level risks including: (a) regular meetings of MLT; (b) the RRMC; (c) 18 operational-level committees, such as the Budget Steering Committee, the Local Committee on Contracts, the Environmental Committee, and the Road Safety Committee; and (d) individual risk management systems for, inter alia, organizational resilience, environmental, aviation and security management. OIOS review of reports and relevant minutes of meetings showed that Mission leadership discussed and took action on high-risk areas relating to political issues, election support, protection of civilians (PoCs), and medical services. Some of these actions included: (a) measures to prevent election-related violence; (b) development of an action plan to improve security and performance of peacekeepers; (c) development of an Ebola contingency plan; (d) implementation of a comprehensive approach to PoCs; and (e) abiding by the human rights due diligence policy for support provided to the national police and military.

¹ Effective 1 January 2019, the Department of Management Strategy, Policy and Compliance assumed all risk management functions previously carried out by DFS and is responsible for the dissemination of ERM guidance and best practices to enhance the United Nations Secretariat's risk management culture.

15. MLT met in April 2018 and endorsed the decision brief on the establishment of RRMC. However, there was no evidence that the Mission leadership had held additional meetings to discuss implementation of ERM or ensured the development of a Mission-wide ERM implementation plan with clearly defined processes, timelines, deliverables, and staff roles and responsibilities to guide the ERM process. Additionally, Mission leadership had not taken sufficient action to ensure that the RRMC was effectively carrying out its risk oversight roles and responsibilities. During the audit period, while the RRMC met three times, a review of the meeting minutes and other records showed that the Committee was not fully effective. For instance, the Committee did not: (a) systematically follow-up on its discussions and decisions; (b) conduct ongoing reviews of the Mission-wide risk register and assessment of evolving risks; (c) review outstanding recommendations of MLT; (d) ensure that risks related to recommendations of oversight bodies were included in the risk treatment plan; and (e) provide quarterly updates to Mission leadership on key strategic risks and compliance matters and their impact on achievement of the Mission's mandate.

16. The above was due to insufficient leadership attention and support to the ERM implementation process as the Mission was yet to fully appreciate the importance and benefits of the ERM. Consequently, the Mission had not yet substantially implemented ERM to guide strategic planning and decision-making.

(1) MONUSCO should enhance its leadership's involvement in and oversight of the enterprise risk management (ERM) process to ensure, in particular: (a) the development and implementation of a Mission-wide ERM implementation plan with clearly defined processes, timelines, deliverables and staff roles and responsibilities; and (b) proper functioning of the Resilience and Risk Management Committee.

MONUSCO accepted recommendation 1 and stated that the Office of MCOS was responsible for overseeing the implementation of ERM in the Mission. The Office of MCOS has issued an inter-office memorandum on the establishment and roles and responsibilities of the RRMC, with clear terms of reference. In the quarterly meeting held in May 2018, RRMC members were briefed on their roles and responsibilities. Recommendation 1 remains open pending receipt of evidence that the Mission has developed and implemented a Mission-wide ERM implementation plan and the RRMC is performing its ERM roles and responsibilities as established.

Need to assess the adequacy of staff resources and reporting structure of the Mission's risk management function and define clear roles and responsibilities for risk management

17. To ensure a coordinated and effective ERM process that covers both substantive and mission support components, instructions issued by DFS required the establishment of an adequately staffed and independent risk management function distinct from operational management. Such a function should be headed by a P-5 or P-4 level officer, reporting directly to the Head of Mission or through a senior manager within the Office of the Chief of Staff.

18. MONUSCO had not established a dedicated risk management unit or office or made necessary budget proposals for the establishment of such. The risk management function was assigned to the Senior Mission Planning Officer and the Audit Response Unit (in addition to their main responsibilities and with different reporting lines) without clarifying their specific roles and responsibilities in relation to risk management. In addition, the Audit Response Unit, managed by an Administrative Assistant at the FS-5 level who was supported by a national staff, was not adequately staffed to perform risk management functions. One of the three approved posts for the Unit (a P-3 level post) had been loaned to the Field Operations Unit within the Office of DMS since 2016 and the incumbent of this post was not performing any risk management functions. This hampered effective implementation of the ERM process.

19. The above was due to MONUSCO not having prioritized the provision of adequate staff resources and not having reviewed its reporting structures to ensure effective implementation of ERM. In line with increased decision-making authorities delegated by the Secretary-General to the Head of Mission (discussed later in the report) and the Organization's three lines of defence model², there was a need for the Mission to clearly define and strengthen the risk management function to ensure that ERM is effectively integrated into all processes including strategy-setting and decision-making.

(2) MONUSCO should review and take appropriate action on the adequacy of staff resources and reporting structure of the risk management function, in line with the Organization's three lines of defence model.

MONUSCO accepted recommendation 2 and stated that it would undertake a review between the Offices of the MCOS and DMS to strengthen the ERM process in the Mission. Recommendation 2 remains open pending receipt of evidence of appropriately enhanced staff resources and reporting structure of the risk management function.

(3) MONUSCO should clearly define risk management roles and responsibilities assigned to the Senior Mission Planning Officer and the Audit Response Unit to enhance accountability and performance management.

MONUSCO accepted recommendation 3 and stated that the ERM roles would be clarified and reconfirmed after the review between the Offices of the MCOS and DMS. Recommendation 3 remains open pending receipt of the risk management roles and responsibilities clearly defined and assigned to relevant units and individuals.

The Mission needed to increase staff awareness of ERM

20. An effective ERM process requires commitment and awareness of all staff to foster a risk aware culture; where staff can manage risks in their day-to-day operations. Management should nurture and encourage the establishment of a risk aware culture throughout the Mission and facilitate the provision of training on ERM for staff.

21. In June 2017, a team from DFS provided a half-day training to chiefs of MONUSCO's entities to improve their risk management awareness and knowledge. Since then, MONUSCO had not developed any training programmes for staff with ERM responsibilities. It had also not carried out awareness-building activities for staff at large or shared best practices on ERM across the Mission.

22. Interviews with the MLT and RRMC members and risk and risk treatment owners showed that they lacked adequate understanding of the ERM process, including regarding the assessment, treatment and monitoring of risks. Only 3 of the 2,886 MONUSCO civilian staff had completed the online course on risk management developed by the Office of Human Resources of the Department of Management Strategy, Policy and Compliance (DMSPC). Although voluntary, this course covers important aspects of ERM and internal control processes. Also, only 24 per cent, including two staff with key ERM responsibilities, had completed the mandatory online course on prevention of fraud and corruption, which also includes elements of ERM.

² According to the model, the first line of defence includes the functions that own and manage risks and are responsible for implementing corrective actions to address process and control deficiencies (i.e., operational managers). The second line of defence comprises central management functions that oversee risk and internal controls and provide support and guidance in those areas. The third line of defence includes the functions that provide independent assurances, such as those conducted by OIOS.

23. The above occurred because MONUSCO had not conducted a training needs assessment for the provision of training to staff with key ERM responsibilities and had not ensured that staff with key risk management responsibilities completed the online ERM course. In addition, the Mission had not communicated the United Nations ERM framework to all staff. Inadequate knowledge and awareness of the ERM process and principles increased the risk of staff not being able to adequately identify, assess and monitor risks and take appropriate mitigation measures. This also impeded the development of a sound risk aware culture in the Mission.

(4) MONUSCO should: (a) take appropriate action to increase staff awareness of the enterprise risk management (ERM) process; (b) conduct a needs assessment for the provision of training to staff with key ERM responsibilities; and (c) ensure that staff with key risk management responsibilities complete the online ERM course.

MONUSCO accepted recommendation 4 and stated that it would conduct a training needs assessment building on a general understanding of risk owners and RRMC members and include the online ERM course in its training plan. Recommendation 4 remains open pending receipt of evidence that: measures have been implemented to increase staff awareness of the ERM process; ERM training needs assessment has been conducted; and staff with key risk management responsibilities have completed the online ERM course.

B. Implementation of the enterprise risk management process

Need for a comprehensive risk identification and assessment process

24. For an efficient and effective ERM process, the Mission-wide risk register should focus on key risks that may impair the achievement of the Mission's mandated objectives. Consistent and comprehensive identification and assessment of risks are required to ensure that effective risk mitigation measures are implemented. Also, the involvement of senior management in the risk assessment process and validation of risks is critical in ensuring that identified risks are properly linked to strategies and objectives.

25. In January 2015, a team from DFS piloted the implementation of ERM in MONUSCO and developed a risk register that contained 21 risks. Further, with the assistance of DFS, the Mission updated the 2015 risk register in February 2018. The revised risk register contained 22 risks covering objectives relating to key mandated areas including PoCs, electoral, political, and humanitarian activities. Meetings were held between the DFS team and the Mission's senior management and some programme managers to identify and assess risks, and their inputs were used to update the risk register. Other established operational risk frameworks, such as those related to sexual exploitation and abuse, organizational resilience, security, and aviation were also used as inputs to the risk register. Although the Mission stated that the risk register was approved by the MLT in May 2018, there was no evidence to support such approval.

26. The 22 risk areas identified were based on the five risk categories of the United Nations Secretariat Risk Universe, and 7 of them were classified as very high risk, 8 as high risk, and 7 as medium risk. The Mission was also assisted by DFS on its risk scoring criteria and rating methodology as well as the assessment of its risk exposure considering the impact and likelihood of each risk and the effectiveness of internal controls. The risk register also included relevant key drivers and risk responses. However, OIOS noted the following weaknesses in the risk identification and assessment process.

- The Mission-wide risk register was not developed based on inputs from operational level risk registers as most of the Mission entities, such as the Finance and Budget, Transport, Life

Support, Contract Management and Procurement Sections, had not prepared such sub-level risk registers.

- There was inadequate coordination in the development and sharing of the Mission-wide risk register. For instance: (a) the Police Component, Environmental Unit and Mission Support Centre were not part of the risk identification and assessment process; and (b) the Mission Support Centre, responsible for providing logistical support to other Mission entities, was not provided with a copy of the register even though it contained risks related to the operations of the Centre.
- The identified fraud and corruption risks were not comprehensive and aligned with the United Nations Secretariat's fraud risk and corruption register. For example, the risk register only included risks related to abuse of official status and fuel fraud while other relevant fraud risk areas relating, *inter alia*, to quick-impact projects, community violence reduction projects, financial reporting, procurement and contract management were not identified and assessed.
- Two very high risks (electoral support and PoCs force configuration) and one high risk (public perception and reputation) were not assigned risk owners to enhance accountability, governance and oversight of the implementation of associated risk mitigating measures. Also, six risk areas had inappropriate risk owners due to the revised organizational structure of Mission Support in June 2018, or inadequate segregation of duties. For example, DMS should have been the appropriate risk owner of internal policies and resolutions relating to environment issues instead of the Chief of the Environmental Unit.
- Some key drivers were outdated or inappropriate to the risk areas in question. For example, a key driver under the financial control risk was the transfer of transaction errors from Sun system to Umoja; however, the Sun system had been decommissioned in 2015. Also, three key drivers under the PoCs force configuration risk pertaining to dual interpretation of the Force mandate, lack of willingness of troops to conduct offensive operations, and effectiveness of the MONUSCO troops were deemed inappropriate by the Force as it was not involved in formulating the risks.

27. The above resulted due to inadequate coordination to ensure full participation of relevant managers and staff in the risk assessment process and timely sharing of the risk register with all entities. There was also insufficient management supervision to conduct a comprehensive risk identification and assessment process to develop a Mission-wide risk register that focuses on key mandated objectives.

(5) MONUSCO should implement an action plan to ensure: a coordinated and comprehensive risk identification and assessment process with inputs from all relevant Mission components; and that the Mission-wide register is updated accordingly and shared with all Mission components.

MONUSCO accepted recommendation 5 and stated that it would conduct a comprehensive risk identification and assessment process that would lead to an update of the risk register to be shared with all Mission components. Recommendation 5 remains open pending receipt of evidence that the Mission undertook a coordinated and comprehensive risk identification and assessment process resulting in an updated Mission-wide risk register shared with all Mission components.

The Mission needed to develop a comprehensive risk treatment and response plan

28. A comprehensive risk treatment plan that addresses response strategies to risks contained in the risk register is needed for effective and efficient management of risks. The risk treatment and response plan should include detailed treatment actions, realistic timelines, and risk treatment owners, and be approved by a Risk Management Committee.

29. The Mission Support Division had developed a risk treatment plan in 2015 and updated it in July 2018 with treatment actions and timelines based on inputs from relevant support entity chiefs. However, this process was not sufficiently coordinated as some risk treatment owners identified in the treatment plan were not involved in the process resulting in unrealistic response timelines and measures. For example: (a) the Supply Chain Management staff indicated that the prescribed timelines for implementing measures to mitigate the identified asset and inventory management risk were unrealistic; and (b) the military were required to implement some treatment actions to mitigate identified medical risks but they informed OIOS that they had not been contacted for their inputs in identifying the appropriate treatment response. As a result, implementation of these measures was still pending.

30. The risk treatment plan contained 61 measures to mitigate 12 of the 22 risks in the risk register relating to the support component. However, there was no treatment plan for the remaining 10 risks (with 4 classified as very high risk, 4 as high risk, and 2 as medium risk) which all related to substantive programmes. The Mission explained that the risk treatment plan was not appropriate for addressing the four very high risks relating to political, PoCs, humanitarian and electoral activities, which required continued attention and action of Mission leadership. However, in OIOS opinion, a comprehensive treatment plan that addresses all risks in the risk register was needed for effective monitoring of risks and associated response strategies and to enhance accountability and decision-making. In addition, a comprehensive risk treatment plan is key in developing a coordinated response to risks that originate from one Mission component but impact other components.

31. The above occurred because of inadequate coordination in developing a comprehensive risk treatment plan. As a result, some treatment owners were tasked with implementing response strategies that were not within their control. This increased the risk of not effectively and timely mitigating the identified risks that could impair the achievement of mandated objectives.

(6) MONUSCO should take action to ensure adequate coordination between the substantive and support components in developing and implementing a comprehensive risk treatment and response plan that adequately covers all risks identified in the Mission-wide risk register.

MONUSCO accepted recommendation 6 and stated that it would ensure coordination between the substantive and support components in developing and implementing a comprehensive treatment plan to adequately cover the risks identified in the Mission-wide risk register. This would be implemented as part of updating the Mission-wide risk register and based on a clear tasking by the Chair of RRM. Recommendation 6 remains open pending receipt of a treatment plan adequately covering all risks identified in the Mission-wide risk register.

C. Monitoring and reporting of risks

Need to effectively monitor, update and report on the management of risks

32. Ongoing monitoring, review and update of risks and related internal controls are critical in ensuring the relevance of risk exposures, identification of emerging risks, effectiveness of designed controls, and appropriateness of response strategies for effective decision-making and achievement of objectives. The ERM framework calls for quarterly monitoring and updating of the risk register and risk treatment plans following discussions with the Risk Management Committee.

33. Quarterly risk monitoring discussions between the RRMC, risk owners and risk treatment owners were not conducted to follow up on the status of risks and risk treatment plans, effectiveness of treatment measures, and emerging risks.

34. Of the 61 mitigating measures on the risk treatment plan prepared by the Mission Support Division, 21 were required to have been fully implemented by 31 March 2019; however, implementation of 15 was still ongoing or not yet started at the time of the audit. Mission personnel attributed the delay to unrealistic deadlines, lack of resources or impractical treatment actions. For example, the Aviation Safety Unit attributed delays in implementing the envisaged measures to mitigate the identified aviation safety risks to budget limitation and staff reductions. The Transport Section was of the opinion that the standardization of fleet was an impractical response strategy to mitigate the risk of multiple makes and models of vehicles in the Mission.

35. The above occurred because MONUSCO did not develop and implement a monitoring plan and tools to systematically review identified risks, evaluate the effectiveness of response strategies, and update the risk register. Also, the Mission maintained its risk register and treatment plan in a Microsoft Word document, which hampered timely monitoring and update of risks. As the Mission explained that it would liaise with DMSPC to develop an effective information system or online tool to facilitate decentralized data entries by risk focal points, risk owners and risk treatment owners, OIOS did not make a recommendation on this issue. Inadequate monitoring of risks and mitigating measures increases the likelihood of existing and emerging risks not being identified or effectively treated in a timely manner for the achievement of mandated objectives.

(7) MONUSCO should implement a monitoring and reporting mechanism to ensure that: (a) Mission-wide risks and mitigating measures are regularly reviewed and reevaluated, and risk registers and treatment plans are timely updated to address any changes in the Mission's risk environment; and (b) the Mission Leadership Team is kept informed about the status of key risks.

MONUSCO accepted recommendation 7 and stated that it would review and adjust the implementation timelines for mitigating measures in the treatment plan to ensure practicality based on resources. The timelines should be considered as guidelines, not deadlines and the Office of the MCOS would continue to monitor the ERM process through the RRMC's quarterly updates. Recommendation 7 remains open pending receipt of evidence that mitigating measures are regularly reviewed and reevaluated and risk registers and treatment plans are timely updated and MLT is regularly informed of the status of key risks.

D. Management of risks and opportunities related to the increased delegation of authority

Need to identify and manage risks related to the exercise of the increased delegation of authority

36. In accordance with the new DoA issued by the Secretary-General to Heads of Missions to decentralize decision-making, align authorities with responsibilities, and strengthen accountability, the Special Representative of Secretary General (SRSG) of MONUSCO was delegated various authorities in the areas of human resources, budget and finance, procurement and property management, and also granted authority to further subdelegate to other managers. The SRSG was required to implement the DoA by 1 July 2019 and ensure compliance with related policies and procedures and that authorities are effectively exercised.

37. As of March 2019, the SRSG had subdelegated some decision-making authorities to 66 managers in the four DoA areas noted above, including certifying and approving officers. To facilitate implementation, monitoring and reporting on the new delegated authorities, MONUSCO took various actions and established measures such as: granting of authority to the senior administrative officers in the Offices of the SRSG and DMS by the SRSG to act as administrators of the online DoA portal and submit semi-monthly reports to the SRSG on delegated activities; developing process matrices for all four areas of the DoA that required monthly reporting to the SRSG; compiling inputs from Mission pillars on the nomination of certifying officers and preparing a revised list of approving officers, which was approved by the MLT; and tasking of a staff member at the P-5 level as a Senior Administrative Officer in the Office of the SRSG to focus specifically on the implementation of the new DoA.

38. Although the Mission developed risk matrices for the four DoA areas, these matrices were not adequate as they did not identify specific risks and opportunities related to the exercise of delegations, particularly those sub-delegated to the 66 managers. In January 2019, DMSPC developed an accountability framework with 16 initial key performance indicators (KPIs) for monitoring the exercise of authorities delegated to heads of entities. At the time of the audit, MONUSCO had not yet started reporting against the KPIs.

39. To strengthen the accountability framework for monitoring the exercise of DoA, there was need for MONUSCO to proactively manage the risks and opportunities related to the exercise of increased delegations particularly those that have been subdelegated to other staff. In the absence of appropriate mitigating measures, MONUSCO may not be well prepared to effectively and efficiently exercise decision-making authorities that have been delegated by the Secretary-General.

(8) MONUSCO should identify and assess risks and opportunities related to the exercise of increased authorities delegated to the Special Representative of the Secretary-General and those sub-delegated to other staff and implement appropriate mitigating measures for identified risks, including monitoring mechanisms, to ensure efficient and effective operations.

MONUSCO accepted recommendation 8 and stated that it would assess risks and opportunities related to the exercise of the increased authorities delegated to the SRSG and those sub-delegated to other staff and implement appropriate mitigating measures, including monitoring mechanisms to ensure efficient and effective operations. Recommendation 8 remains open pending receipt of documents on the assessment of risks and opportunities related to the exercise of the DOA and relevant mitigating measures.

IV. ACKNOWLEDGEMENT

40. OIOS wishes to express its appreciation to the management and staff of MONUSCO 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 enterprise risk management process in the United Nations Organization Stabilization Mission
in the Democratic Republic of the Congo**

Rec. no.	Recommendation	Critical ³ / Important ⁴	C/ O ⁵	Actions needed to close recommendation	Implementation date ⁶
1	MONUSCO should enhance its leadership's involvement in and oversight of the enterprise risk management (ERM) process to ensure, in particular: (a) the development and implementation of a Mission-wide ERM implementation plan with clearly defined processes, timelines, deliverables and staff roles and responsibilities; and (b) proper functioning of the Resilience and Risk Management Committee.	Important	O	Receipt of evidence that the Mission has developed and implemented a Mission-wide ERM implementation plan and RRMC is performing its ERM roles and responsibilities as established.	31 October 2020
2	MONUSCO should review and take appropriate action on the adequacy of staff resources and reporting structure of the risk management function, in line with the Organization's three lines of defence model.	Important	O	Receipt of evidence of appropriately enhanced staff resources and reporting structure of the risk management function.	31 October 2020
3	MONUSCO should clearly define risk management roles and responsibilities assigned to the Senior Mission Planning Officer and the Audit Response Unit to enhance accountability and performance management.	Important	O	Receipt of the risk management roles and responsibilities clearly defined and assigned to relevant units and individuals.	31 October 2020
4	MONUSCO should: (a) take appropriate action to increase staff awareness of the enterprise risk management (ERM) process; (b) conduct a needs assessment for the provision of training to staff with key ERM responsibilities; and (c) ensure that staff with key risk management responsibilities complete the online ERM course.	Important	O	Receipt of evidence that: measures have been implemented to increase staff awareness of the ERM process; ERM training needs assessment has been conducted; and staff with key risk management responsibilities have completed the online ERM course.	31 October 2020

³ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

⁴ Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁵ C = closed, O = open

⁶ Date provided by MONUSCO in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

**Audit of the enterprise risk management process in the United Nations Organization Stabilization Mission
in the Democratic Republic of the Congo**

Rec. no.	Recommendation	Critical ³ / Important ⁴	C/ O ⁵	Actions needed to close recommendation	Implementation date ⁶
5	MONUSCO should implement an action plan to ensure: a coordinated and comprehensive risk identification and assessment process with inputs from all relevant Mission components; and that the Mission-wide register is updated accordingly and shared with all Mission components.	Important	O	Receipt of evidence that the Mission undertook a coordinated and comprehensive risk identification and assessment process resulting in an updated Mission-wide risk register shared with all Mission components.	31 October 2020
6	MONUSCO should take action to ensure adequate coordination between the substantive and support components in developing and implementing a comprehensive risk treatment and response plan that adequately covers all risks identified in the Mission-wide risk register.	Important	O	Receipt of a treatment plan adequately covering all risks identified in the Mission-wide risk register.	31 October 2020
7	MONUSCO should implement a monitoring and reporting mechanism to ensure that: (a) Mission-wide risks and mitigating measures are regularly reviewed and reevaluated, and risk registers and treatment plans are timely updated to address any changes in the Mission's risk environment; and (b) the Mission Leadership Team is kept informed about the status of key risks.	Important	O	Receipt of evidence that mitigating measures are regularly reviewed and reevaluated and risk registers and treatment plans are timely updated and MLT is regularly informed of the status of key risks.	31 October 2020
8	MONUSCO should identify and assess risks and opportunities related to the exercise of increased authorities delegated to the Special Representative of the Secretary-General and those sub-delegated to other staff and implement appropriate mitigating measures for identified risks, including monitoring mechanisms, to ensure efficient and effective operations.	Important	O	Receipt of documents on the assessment of risks and opportunities related to the exercise of the delegation of authority and relevant mitigating measures.	31 October 2020

APPENDIX I

Management Response



INTEROFFICE MEMORANDUM

19 September 2019

Ref: SRS.G.591.2019

To: Mr. Daeyoung Park
Chief, Peacekeeping Audit Service
Internal Audit Division, OIOS

From: *for* Leila Zerrougui *Leila Zerrougui*
Special Representative of the Secretary-General
and Head of MONUSCO

Subject: **Mission response to the Draft Audit Report on the audit of the enterprise risk management process in MONUSCO (Assignment No. AP2019/620/10)**

1. Your interoffice memorandum dated 27 August 2019 (Ref: OIOS-2019-23) forwarding the Draft Audit Report on the audit of enterprise risk management process in MONUSCO is acknowledged with thanks.
2. Attached please find the Mission's comments on the recommendations in the Draft Report for your consideration.
3. Thank you and best regards.

cc. Ms. Nancee Oku Bright, Mission Chief of Staff
Mr. Ebrima Ceesay, Director, Mission Support Division
Mr. Daniel Maier, Senior Planning Officer
Mr. Stephen Slawsky, Senior Administrative Officer, OSRSG
Mr. Elie Rizkallah, Senior Administrative Officer, ODMS
Ms. Judith Atiagaga, Audit Focal Point
Mr. James Okwakol, Chief Resident Auditor for MONUSCO, IAD, OIOS
Ms. Cynthia Avena-Castillo, Professional Practices Section, IAD, OIOS

Management Response

Audit of enterprise risk management process in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MONUSCO leadership should enhance its leadership involvement in and oversight of the enterprise risk management (ERM) process to ensure in particular: (a) the development and implementation of a Mission-wide ERM implementation plan with clearly defined timelines, deliverables and staff roles and responsibilities; and (b) proper functioning of the Resilience and Risk Management Committee.	Important	Yes	Mission Chief of Staff	31 October 2020	<p>The Mission accepts the recommendation and states that:</p> <p>a) The Office of the Mission Chief of Staff (OCOS) has the responsibility to oversee the implementation of the Enterprise Risk Management (ERM) in MONUSCO. An Inter-Office Memorandum was issued by the OCOS about the Resilience and Risk Management Committee (RRMC) in which roles and responsibilities were highlighted and also briefed during the meeting of the RRMC held in May 2018.</p> <p>b) The RRMC has clear Terms of Reference and membership and is convened on a quarterly basis with a clear tasking.</p>
2	MONUSCO should review and take action on the adequacy of staff resources and reporting structure of the risk management function to ensure effective implementation of enterprise risk management in accordance with the Organization's three lines of defense	Important	Yes	Mission Chief of Staff and Director of Mission	31 October 2020	A review will be undertaken between the Office of the Mission Chief of Staff and the Office of the Director of Mission Support with a view to strengthening the Enterprise Risk Management process mechanism in MONUSCO.

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

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

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	model for an effective risk management process.			Support		
3	MONUSCO should clearly define risk management roles and responsibilities assigned to the Senior Mission Planning Officer, the Audit Response Unit and Audit Response Unit to enhance accountability and performance management.	Important	Yes	Mission Chief of Staff and Director of Mission Support	31 October 2020	The function of the Enterprise Risk Management (ERM) Focal Point was confirmed by cable in 2015. In addition, the ERM function has been included in the Office of the Mission Chief of Staff (OCOS) Annual Work Plan and the Strategic Planning Cell Annual Work Plan and objectives. These roles will again be clarified and reconfirmed after the review between the OCOS and Office of the Director of Mission Support mentioned in recommendation 2.
4	MONUSCO should: (a) take appropriate action to increase staff awareness of the enterprise risk management (ERM) process; and (b) conduct a needs assessment for the provision of training to staff with key ERM responsibilities; and (c) ensure that staff with key risk management responsibilities complete the online ERM course.	Important	Yes	Mission Chief of Staff and Director of Mission Support	31 October 2020	The Mission will conduct a training needs assessment that builds on a general understanding of risk owners and Resilience and Risk Management Committee members; the online tool will be included in the training plan as it offers valuable insights into the Enterprise Risk Management process and general concept.
5	MONUSCO should implement an action plan to ensure: a coordinated and comprehensive risk identification and assessment process with inputs from all relevant Mission components; and that the Mission-wide register is updated accordingly and shared with all Mission components.	Important	Yes	Mission Chief of Staff and Director of Mission Support	31 October 2020	A comprehensive risk identification and assessment process will be conducted which will lead to an update of the risk register that will be shared with all Mission components.

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6	MONUSCO should take action to ensure adequate coordination between the substantive and support components in developing and implementing a comprehensive risk treatment and response plan that adequately covers all risks identified in the Mission-wide risk register.	Important	Yes	Senior Mission Planning Officer	31 October 2020	The Mission will ensure coordination between the substantive and support components in developing and implementing a comprehensive treatment plan to adequately cover the risks identified in the mission-wide risk register. This will be implemented as part of recommendation #5 and based on a clear tasking by the Resilience and Risk Management Committee chair.
7	MONUSCO should implement a monitoring and reporting mechanism to ensure that: (a) mission-wide risks and mitigating measures are regularly reviewed and reevaluated, and risk registers and treatment plans are timely updated to address any changes in the Mission's risk environment; and (b) the Mission Leadership Team is kept informed about the status of key risks.	Important	Yes	Senior Mission Planning Officer In liaison with Audit Response Unit	31 October 2020	In addition to and as part of the actions towards implementation of recommendation # 6, the timelines provided for implementation of specific mitigating measures in the treatment plans will be reviewed and adjusted to ensure practicality as long as the implementation progress is ongoing based on resources. These timelines should however not be considered as deadlines but as guidelines. The Office of the Chief of Staff will continue to monitor the Enterprise Risk Management Process through the Resilience and Risk Management Committee's quarterly updates.
8	MONUSCO should identify and assess risks and opportunities related to the exercise of increased authorities delegated to the Special Representative of the Secretary-General and those sub-delegated to other staff and implement	Important	Yes	Senior Administrative Officer (Office of the Special Representative	31 October 2020	MONUSCO will conduct an assessment of risks and opportunities related to the exercise of the increased authorities delegated to the Special Representative of the Secretary-General and those sub-

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	<p>appropriate mitigating measures, including monitoring mechanisms, to ensure efficient and effective operations.</p>			<p>of the Secretary-General and Senior Administrative Officer (Office of the Director of Mission Support)</p>		<p>delegated to other staff and implement appropriate mitigating measures, including monitoring mechanisms to ensure efficient and effective operations.</p>
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