



INTERNAL AUDIT DIVISION

REPORT 2018/101

Audit of financial and human resources management in the United Nations Truce Supervision Organization and the Office of the United Nations Special Coordinator for the Middle East Peace Process

There was a need to further strengthen measures over budget monitoring and control at the United Nations Truce Supervision Organization

**23 October 2018
Assignment No. AP2018/674/01**

Audit of financial and human resources management in the United Nations Truce Supervision Organization and the Office of the United Nations Special Coordinator for the Middle East Peace Process

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of financial and human resources management in the United Nations Truce Supervision Organization (UNTSO) and the Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO) to assess whether they were effectively managed in accordance with established procedures. The audit covered the period from 1 January 2016 to 31 December 2017 and included budget monitoring, cash management, local bank reconciliations, low value acquisitions, accounts payable and receivable, month and year-end account closures and staff recruitment and entitlements.

UNTSO and UNSCO utilized nearly all of their approved budgets. Controls over accounting and financial transactions were sufficient and salaries and entitlements were paid only to eligible personnel. UNSCO maintained its staff vacancy rate below 5 per cent and UNTSO was successful in decreasing its staff vacancy rate from 9.4 per cent to 5.5 per cent. However, UNTSO needed to further strengthen measures over budget monitoring and control.

OIOS made three recommendations. To address issues identified in the audit, UNTSO needed to:

- Update the charter of the multi-biennium Government House rehabilitation project to avoid under-budgeting, and monitor actual expenditures and progress for the entire project duration;
- Reassess the requirement for its current fleet of buses and take necessary remedial actions; and
- Improve its acquisition planning by properly consolidating requirements, such as vehicle spare parts and recurring and similar requirements, to trigger a formal procurement process instead of conducting numerous ad hoc low value acquisitions.

UNTSO accepted the recommendations and initiated action to implement them.

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Audit of financial and human resources management in the United Nations Truce Supervision Organization and the Office of the United Nations Special Coordinator for the Middle East Peace Process

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of financial and human resources management in the United Nations Truce Supervision Organization (UNTSO) and the Office of the United Nations Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General for the Palestine Liberation Organization and the Palestinian Authority (UNSCO).
2. The approved budgets of UNTSO and UNSCO for the biennium 2016-2017 were \$70 million and \$17 million respectively. UNTSO has a total strength of 390 personnel, including 153 military observers, at its headquarters at the Government House in Jerusalem and five outstations. UNSCO has 66 staff posts for its operations in Jerusalem, Gaza and West Bank.
3. The Finance and Budget Management Section (FBMS) in the Office of Mission Support of UNTSO provides support services to both UNTSO and UNSCO, which were co-located at the Government House in Jerusalem, except for UNSCO budget and human resources management. FBMS is headed by a Chief at the P-4 level and comprises three international and eight national staff and its approved staffing cost was \$2.1 million for the biennium 2016-2017. The approved staffing cost of the UNSCO Budget Unit, comprising three national staff members, was \$400,000 for the biennium 2016-2017. The Human Resources Management Section of UNTSO, headed by a Chief at the Field Service (FS) level 7, comprised three international and two national staff and the approved staffing cost was \$2.5 million for the biennium 2016-2017. The approved staffing cost of the Human Resources Management Section of UNSCO, comprising a Chief at the FS-6 level and two national staff members, was \$500,000 for the biennium 2016-2017.
4. Comments provided by UNTSO are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

5. The objective of the audit was to assess whether financial and human resources of UNTSO and UNSCO were effectively managed in accordance with established procedures.
6. This audit was included in the 2018 risk-based work plan of OIOS due to the financial and operational risks related to funds management and human resource operations.
7. OIOS conducted this audit from February to June 2018. The audit covered the period from 1 January 2016 to 31 December 2017. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in financial and human resources management, which included: budget monitoring, cash management, local bank reconciliations, low value acquisitions, accounts payables and receivables, month and year-end account closures and staff recruitment and entitlements.
8. The audit methodology included: (a) interviews of key personnel, (b) reviews of relevant documentation, (c) analytical reviews of data, and (d) sample testing of relevant transactions.
9. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Financial management

Governance mechanism for budget monitoring needed improvement

10. The compacts between the Secretary-General and the Heads of UNTSO and UNSCO require the two Heads to utilize at least 95 per cent of their approved budgets and exercise appropriate oversight to ensure transparent and accountable financial operations and related reporting. The Head of UNTSO instructed the Mission Leadership Executive (MLE) to convene monthly to assist in the discharge of the office's oversight responsibility. MLE was composed of six senior managers of the Mission including the Chief of Mission Support (CMS). Also, the Field Finance Procedure Guidelines (FFPG) and the Controller's instructions require CMS to monitor actual expenditures against the approved budget of the Mission.

11. UNTSO utilized 99.6 per cent of its budget at the end of December 2017. A review of monthly spending patterns showed that while monthly expenditures amounted to an average of \$2.9 million, there was a sharp increase to \$4.3 million, an increase of 148 per cent, by December 2017. This was because the Controller's Office released \$600,000 budget funds in September 2017, which up to that point had been withheld. There was also a supplementary budget of \$1.1 million, which was approved by the General Assembly and allotted by the Controller in December 2017. Therefore, OIOS assessed that the sharp increase in December was not because of a 'rush to spend' immediately before the end of the fiscal period.

12. UNSCO utilized 99.2 per cent of its budget at the end of December 2017. A review of monthly spending patterns showed that the monthly average of \$700,000 was evenly utilized during the audit period. FBMS and UNSCO's Budget Unit sent status of allotment reports to the CMS and self-accounting units every month to facilitate budget monitoring. CMS and self-accounting unit managers had weekly management meetings where budget performance was extensively discussed.

13. MLE convened monthly where the CMS or a representative from the Office of Mission Support presented the financial position and budget status to the members. However, the authority of MLE over budget formulation and redeployment budget spending was not clearly established in the terms of reference (TORs), leading to disagreements among MLE members on the scope of their authority over budget spending. Some members stated that the TORs delegated authority to MLE to approve any spending over \$100,000 but others disagreed, contending that the TORs did not apply to already approved budgeted items.

14. UNTSO recognized the ambiguity in the TORs and planned, as part of its periodic review of the Mission's governance framework, to review the TORs and related rules of procedure. UNTSO also stated that the governance framework would be further enhanced while complying with Code Cable 1396 of 20 August 2018, which required all missions to establish a Mission Resource Stewardship Executive Group by 31 December 2018. This Group will be responsible for reviewing operational and financial performance as well as proposed alignment of resourcing priorities, overseeing allocation and utilization of mission resources, and ensuring that reporting obligations are met. In view of these developments, OIOS did not make a recommendation on this issue.

Budget redeployments for some expenditures were not adequately justified

15. The Advisory Committee on Administrative and Budgetary Questions in its 27 April 2015 report on cross-cutting issues related to peacekeeping operations (A/69/839) required missions to keep budget redeployments to a minimum to ensure fiscal discipline and proper control. The Controller delegated

authority to CMS to redeploy funds within the five groups of expenditures: posts (Class I), other staff costs (Class II), non-staff costs (Class III), hospitality (Class IV) and operating expenses (Class V). Redeployments between these five Classes require prior approval of the Controller.

16. In the biennium 2016-2017, UNSCO redeployed \$950,000 (5.6 per cent of the total approved budget). A total of \$150,000 was redeployed from Class I to Class V for unanticipated expenses to replace an armored vehicle, which was duly approved by the Controller. The remaining redeployments totaling \$800,000 were within Classes and were approved by the CMS as required. A review of all redeployments showed that they were properly justified and took place only when necessary.

17. In the biennium 2016-2017, UNTSO redeployed \$3.9 million (5.5 per cent of the total approved budget) through 148 transactions. The Mission explained that the frequent budget redeployments were due to the nature of its biennium budget cycle and deployment of military observers to Damascus that was not foreseen at the time of budget formulation. A total of \$961,000 was redeployed from Classes I, II, III and IV to Class V to cover various operating expenses and duly approved by the Controller. The remaining redeployments of \$3 million were within Classes and all were duly approved by the CMS as required. A review of all redeployments showed that there were adequate justifications for \$2.5 million. However, the remaining redeployments of \$1.4 million could have been avoided with better analysis and planning. The details are described in the following paragraphs.

18. The Mission redeployed \$1.1 million to cover costs for an ongoing project to rehabilitate the Government House. These costs were not foreseen during budgetary preparations, as the initial plan was to complete the project by August 2015, but the works were still ongoing as of May 2018. OIOS' review noted that the rehabilitation project was not well managed, as its Project Charter, established in 2011, had not been updated since January 2012 and therefore, the Mission did not have an overview of the work and cost variations compared to the initial plan. The Mission's monitoring of the project was limited to each biennium's budget, which was insufficient leading to a delay in completing the project and costs overruns. The initial cost estimate was \$6.8 million but actual expenditures up to December 2017 were \$7 million and an additional \$1.4 million was anticipated in 2018, resulting in an estimated total cost overrun of \$1.6 million.

19. UNTSO explained that the Government House was an old structure that had been in use by UNTSO since 1948, without any significant repairs and modernization. To comply with modern construction, environmental, and safety standards, extensive assessment and testing by specialized engineering and restoration consultants had to be conducted and this took several years to complete. As the assessment revealed that the nature of the building's structural deficits was far more critical than originally suspected, the Mission was obliged to evacuate the entire building, which had not been initially anticipated. The additional requirement to maintain the building's historical and architectural significance also necessitated a specialized and lengthy intervention. These difficulties could not have been envisioned at the project's outset, and the Mission was obligated to undertake significant budgetary adjustments to adequately address them. OIOS considers that these matters should have been addressed during the project initiation stage.

20. The Mission also redeployed \$300,000 to purchase three buses costing \$450,000, which had initially been budgeted at only \$150,000. The Mission planned to replace three old buses with new ones from the United Nations systems contract for mini-buses, but later learned that the mini-buses from the systems contract did not meet local regulations. Despite receiving 22 replies to the request for expression of interest, only one supplier responded to the Mission's request for proposal. Thus, the Mission launched a procurement process with direct negotiations and awarded the contract to a vendor offering \$450,000 for three buses. The newly purchased buses were 35-seaters, while the old ones could transport a maximum of 22 passengers.

21. OIOS review concluded that the need for three 35-seater buses was not justified. These buses were mainly to provide daily commuting service for about 31 staff, serving 16, 10 and 5 commuters for respective three routes. The Mission was also using significant resources to operate the daily commuting services, which for the old buses was estimated at about \$52,000 per month. This consisted of \$600 for fuel and the balance was staff cost for driving the buses. Commuters reimbursed about \$60 each month to the Mission. The Mission's approved budget requests for buses was simply to continue commuting services that had been in existence, without questioning and conducting adequate assessment to justify the purchase for the higher capacity buses.

22. As a result, fiscal discipline and proper controls over the two cases stated above were not sufficiently achieved.

(1) UNTSO should take measures to strengthen monitoring of the multi-biennium Government House rehabilitation project to ensure timely completion of the project by: (a) updating the Project Charter with the overall and annual budgets and target completion date; and (b) regularly reviewing actual expenditures and progress to minimize cost overruns.

UNTSO accepted recommendation 1 and, while acknowledging that the Project Charter was not updated in a timely manner, stated that Mission management was kept apprised of all project developments, proposed changes or adjustments to the project plan and timelines, and estimated costs as they arose, and had approved all changes to the process as well as adjustments to budgetary priorities. UNTSO would update the Government House Project Charter to fully reflect and elaborate on the project phases, annual budgets, and revised project completion date. The Mission's Project Monitoring Group would ensure timely oversight of project progress and budgetary expenditures. Recommendation 1 remains open pending receipt of the updated Project Charter and evidence of effective monitoring of costs and timelines.

(2) UNTSO should reassess the requirement for the current fleet of buses and take necessary remedial actions.

UNTSO accepted recommendation 2 and stated that the Mission would reassess the requirement for the current fleet of buses in line with code cables from United Nations Headquarters, particularly in relation to transportation strategies for Mission personnel, as well as carbon footprint and local environmental concerns. Recommendation 2 remains open pending receipt of the results of the reassessment of the need for the current fleet of buses.

Controls over low value acquisitions needed improvement

23. The Procurement Manual provides that purchases below \$10,000 may be processed as low value acquisitions (LVAs) if purchases under United Nations systems contracts or standardized procurement arrangements are not available. Obtaining and evaluating informal quotes via phone, email, internet search or in person are required for vendor selection.

24. A review of 100 LVAs totaling about \$185,000 out of 273 totaling about \$400,000 showed that in all cases, quotes were obtained and evaluated. However, many LVAs were used to purchase products that were available through the standard United Nations contracts. For instance, vehicle spare parts were repeatedly purchased on an ad hoc basis and LVAs were used to pay for recurring and predictable items, such as newspaper subscriptions, software licenses, internet charges, car insurance and utility services.

25. The above happened as the Mission's acquisition planning did not properly consolidate purchase requirements, which would trigger a formal procurement process to establish a standardized contract, instead of resorting to numerous ad hoc low value acquisitions. As a result, the Mission was experiencing a high level of inefficiency in purchasing goods and services, as 702 out of 851 (82 per cent) purchase orders were under \$10,000 each. In addition, the Mission was less likely to achieve better pricing and purchasing conditions.

(3) UNTSO should take action to improve its acquisition planning by properly consolidating requirements, such as vehicle spare parts and recurring and similar requirements, to trigger a formal procurement process instead of conducting numerous ad hoc low value acquisitions.

UNTSO accepted recommendation 4 and stated that it had implemented the Global Acquisition Planning Tool, where all requirements for both UNTSO and UNSCO had been consolidated to facilitate better planning and ensure limited use of LVAs. In addition, self-accounting units had been instructed to continue to utilize United Nations system contracts and deliver items to outstations where applicable. Recommendation 3 remains open pending receipt of evidence of implementation.

Accounting activities were conducted as required

26. Closing Instructions for the IPSAS Financial Statements for Peacekeeping Operations and Umoja Month End Manual require the Mission to submit a package of financial information, comprising account balances and supporting documents to the Controller at the end of each month and the financial year. Instructions from the Controller require monthly review and reporting on the status of Open Item Managed accounts, such as accounts receivable and payable for timely clearance and accurate recording. Received bank statements must be reconciled monthly with Umoja records. Monthly reconciliations for bank accounts and cash positions are required by a staff member whose duty does not include payment processing.

27. FBMS submitted the required financial packages to the Controller at each month and year-end. A review of the financial package for December 2017 indicated the package complied with the checklist provided by the Controller. Bank reconciliations were properly conducted by staff whose duty did not include payment processing. The Account Monitoring Dashboard was implemented to replace the need to submit details of accounts payable as part of the package.

28. UNTSO had balances of \$157,000 and \$658,000 of accounts receivable and payable respectively as at 13 March 2018. UNSCO had balances of \$120,750 and \$119,980 of accounts receivable and payable respectively as at 13 March 2018. The UNTSO accounts payable included vendor retention items totaling \$538,000, which were payable one year after the satisfactory completion of the related projects and should have been accounted for separately. UNTSO stated that it would seek technical guidance from the Umoja Team on reclassifying the items in the appropriate general ledger retention account. All other accounts receivable and payable were accurate and did not include any long outstanding items. OIOS concluded that accounting activities were conducted as required.

Controls over cash operations were effective

29. FFPG requires duly designated custodians to be personally accountable for petty cash, maintain supporting documents for each payment not exceeding \$350 or local currency equivalent, and submit accounts reconciling the balance to the Chief Finance Officer monthly or when requesting replenishment. Certifying and approving officers are required to separately certify and approve payments. Cheques require

two bank signatories and evidence of receipt of the cheque must be recorded. Cheques can only be issued against appropriate accounts payable or staff salary distribution.

30. FBMS had nine petty cash accounts in multiple locations. A review of 100 petty cash transactions in different currencies totaling approximately \$17,000 out of 2,154 transactions totaling approximately \$400,000 showed that they were all properly supported by vouchers and receipts. All petty cash transactions reviewed were under \$350. FBMS replenished petty cash accounts in accordance with established procedures with proper certification.

31. Cheques were frequently used to pay vendors and staff in Gaza and Syria, due to limited banking facilities and utility companies accepting only cheque or cash. A review of 100 cheques totaling \$263,093 out of 7,310 cheques issued during the audit period totaling \$12 million indicated all were properly issued against valid obligations and properly recorded with evidence of receipts by payees. OIOS concluded that controls over cash operations were effective.

B. Human resources management

Post and vacancy management and recruitment were adequate

32. The approved budgets of UNTSO and UNSCO established staff vacancy rates of 11.5 per cent for Professional category and 8.7 per cent for General Service and Field Service categories. The administrative instruction ST/AI/2010/3 on the staff selection system requires vacancy announcement for each job opening and assessment of shortlisted candidates. Guidelines for the Inspira system set targets for completion of recruitment within 60 and 68 days for international and national vacancies respectively, which the Office of Mission Support was committed to achieve.

33. A review of 25 out of 64 staff recruitment and promotions in UNTSO and 10 out of 21 staff recruitment and promotions in UNSCO during the audit period showed that candidates were selected in accordance with established procedures, relevant records were properly maintained and proper justification for selecting a candidate was available. As at 31 December 2017, UNTSO and UNSCO staff vacancy rates were 9.4 per cent and 4.5 per cent, respectively. UNTSO subsequently decreased its vacancy rate to 5.5 per cent by May 2018. However, an analysis of timelines for a sample of 12 international and national recruitments in UNTSO indicated that 8 exceeded the 68-day target to complete recruitment, including 4 that exceeded 100 days. UNTSO indicated that it would train and introduce procedures to support hiring managers in evaluating and assessing of candidates in Inspira. Therefore, OIOS did not make a recommendation on this issue.

Hiring of individual contractors complied with the required procedures

34. The administrative instruction ST/AI/2013/4 on individual contractors requires proper justification of the need to hire them, and technical evaluation of at least three candidates before selection. Missions are required to assess and certify satisfactory completion of services prior to payments.

35. During the biennium 2016-2017, UNTSO and UNSCO hired 21 individual contractors, with payments totaling \$248,000. A review of 11 contractors totaling \$52,000 indicated that three candidates were always considered and proper justification for the hiring and satisfactory completion of service for payments were documented.

Controls over military and civilian staff salary and entitlements were sufficient

36. As of October 2016, staff salaries were processed in Umoja, requiring missions to maintain accurate data to ensure that salaries are paid only to its current employees. Various guidelines govern the eligibility and processing of staff entitlements, such as settling-in grant, assignment grant, danger pay, rental subsidies, safe driver bonus, relocation and repatriation grants and mission subsistence allowance (MSA).

37. A comparison of all UNTSO and UNSCO staff receiving payroll in Umoja against the staffing tables showed that salaries were paid only to current employees according to their grades. A review of a sample of 60 entitlements totaling \$763,000 out of 8,377 totaling \$2.1 million during the audit period indicated that eligibility was properly established, and disbursements were accurately calculated. The sample included 16 settling-in grants, 9 assignment grants, 4 danger pays, 10 rental subsidies, 1 safe driver bonus, 14 relocation grants and 6 repatriation grants. In addition, UNTSO closely reviewed the claims of civilian staff entitlements for compliance with established procedures. For example, in 2017, the Mission identified and reported to the United Nations Headquarters one claim that was suspected to be of inappropriate intent. OIOS concluded that the Mission's controls over civilian salaries and entitlements were working effectively.

38. A review of MSA records for three months indicated that attendance sheets were approved by outstation chiefs and the respective Administrative Officers, and the Individual Uniformed Personnel Unit received attendance sheets for certification. MSA payments for the three months were accurately calculated and paid. OIOS concluded that the controls for MSA payments were effective.

IV. ACKNOWLEDGEMENT

39. OIOS wishes to express its appreciation to the management and staff of UNTSO and UNSCO 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 financial and human resources management in the United Nations Truce Supervision Organization and the Office of the United Nations Special Coordinator for the Middle East Peace Process

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNTSO should take measures to strengthen monitoring of the multi-biennium Government House rehabilitation project to ensure timely completion of the project by: (a) updating the Project Charter with the overall and annual budgets and target completion date; and (b) regularly reviewing actual expenditures and progress to minimize cost overruns.	Important	O	Receipt of the updated Project Charter for the Government House and evidence of effective monitoring of project costs and timelines.	30 November 2018
2	UNTSO should reassess the requirement for the current fleet of buses and take necessary remedial actions.	Important	O	Receipt of results of the reassessment of the need for the current fleet of buses and evidence of appropriate corrective action.	31 December 2018
3	UNTSO should take action to improve its acquisition planning by properly consolidating requirements, such as vehicle spare parts and recurring and similar requirements, to trigger a formal procurement process instead of conducting numerous ad hoc low value acquisitions.	Important	O	Receipt of evidence of implementation of improved acquisition planning.	31 December 2018

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.

³ C = closed, O = open

⁴ Date provided by UNTSO in response to recommendations.

APPENDIX I

Management Response



TRUCE SUPERVISION ORGANIZATION

INTEROFFICE MEMORANDUM

Government House
Jerusalem

16 October 2018

To: Ms. Muriette Lawrence-Hume, Chief, New York Audit Service
Internal Audit Division, OIOS

From: Major General Kristin Lund,
Chief of Staff and Head of Mission

Handwritten signature of Major General Kristin Lund in blue ink.

Mr. Nickolay Mladenov, Special Coordinator for the Middle East
Peace Process and Personal Representative of the Secretary-General
for the Palestine Liberation Organization and the
Palestinian Authority

Handwritten signature of Mr. Nickolay Mladenov in blue ink.

Subject: Reissuance of draft report on an audit of financial and human resources management in the United Nations Truce Supervision Organization and the Office of the Special Coordinator for the Middle East Peace Process (Assignment No. AP2018/674/01)

1. I refer to your correspondence OIOS-2018- MO1001 of 15 October 2018 regarding the above-referenced audit assignment.
2. We have reviewed the draft OIOS report; of the three recommendations proposed by OIOS, UNTSO accepts all three recommendations.
3. Please find attached our action plan with target dates and titles of the individuals responsible for implementing the recommendations in Appendix 1.
4. Best regards.

cc: Mr. Alan Doyle, Chief Mission Support UNTSO/UNSCO
Mr. Michael Antoine, Audit Focal Point, UNTSO
Ms. Klaire Kasibayo, Audit Focal Point, UNSCO
Ms. Cynthia Avena- Castillo, Professional Practice Section, IAD-OIOS

Management Response

Audit of financial and human resources management in the United Nations Truce Supervision Organization and the Office of the United Nations Special Coordinator for the Middle East Peace Process

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNTSO should take measures to strengthen monitoring of the multi-biennium Government House rehabilitation project to ensure timely completion of the project by: (a) updating the Project Charter with the overall and annual budgets and target completion date; and (b) regularly reviewing actual expenditures and progress to minimize cost overruns.	Important	Yes	CMS	30 November 2018	Although the project Charter was not updated in a timely manner, mission management was kept apprised of all project developments, proposed changes or adjustments to the project plan and timelines, and estimated costs as they arose, and approved all changes to the process as well as adjustments to budgetary priorities. UNTSO will update the Government House Project Charter to fully reflect and elaborate on the project phases, annual budgets, and revised project completion date; the mission's Project Monitoring Group will ensure timely oversight of project progress and budgetary expenditures.
2	UNTSO should reassess the requirement for the current fleet of buses and take necessary remedial actions.	Important	Yes	CMS	31 December 2018	The requirement was to continue providing shuttle services to national staff, irrespective of their location and not restricted to staff residing in the West Bank. UNTSO will reassess the requirement for the current fleet

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.

Management Response

Audit of financial and human resources management in the United Nations Truce Supervision Organization and the Office of the United Nations Special Coordinator for the Middle East Peace Process

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						of buses in line with Code Cables # 250 and 275 from UNHQ, particularly in relation to the implementation of staff transportation strategies for mission personnel, as well as carbon footprint and local environmental concerns.
3	UNTSO should take action to improve its acquisition planning by properly consolidating requirements, such as vehicle spare parts and recurring and similar requirements, to trigger a formal procurement process instead of conducting numerous ad hoc low value acquisitions.	Important	Yes	CMS	31 December 2018	UNTSO has implemented the Global Acquisition Planning Tool (Demand Plan for FY 2018/19) where all requirements have been consolidated for both UNTSO and UNSCO. The Tool will facilitate improved planning and will ensure limited use of LVA's. In addition, Self-Accounting Units have been instructed to continue to utilize UN System contracts and implement split deliveries to the outstations where applicable.