



INTERNAL AUDIT DIVISION

REPORT 2019/012

Audit of the management of the trust fund for peace and security in the United Nations Multidimensional Integrated Stabilization Mission in Mali

The Mission needed to improve procedures for selecting trust fund projects and strengthen monitoring of projects to ensure their timely implementation

**14 March 2019
Assignment No. AP2017/641/06**

Audit of the management of the trust fund for peace and security in the United Nations Multidimensional Integrated Stabilization Mission in Mali

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the management of the trust fund for peace and security in the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA). The objective of the audit was to assess the effectiveness of the management of the trust fund including compliance with established procedures and contribution agreements. The audit covered the period from 1 July 2015 to 31 December 2017 and included a review of governance, project planning and monitoring, programme evaluation, financial management and reporting.

MINUSMA established an appropriate governance mechanism, had relevant mission-specific standard operating procedures, and all expenditures reviewed were properly supported. However, projects were not delivered in a timely manner and mechanisms for monitoring project performance needed improvement.

OIOS made seven recommendations. To address issues identified in the audit, MINUSMA needed to:

- Seek clarification from the Controller with respect to the instruction for the Mission to nominate a certifying officer for the trust fund and act as appropriate;
- Strengthen the review of project proposals including its assessment of the capacity of partners to implement them, and implement additional initiatives to increase the number of projects dedicated to gender-related issues and most vulnerable groups;
- Provide training and further guidance to all staff with project monitoring responsibilities to ensure monitoring visits are conducted, progress reports are followed up on and submitted when required, and problematic projects are escalated to the Project Review Committee for appropriate action;
- Monitor timely utilization of donor contributions, and identify factors causing delays with fund utilization and project completion;
- Ensure its components, responsible for implementing trust fund projects, conduct end of project evaluations;
- Implement a formal mechanism to track and promptly recover the Mission's assessed funds used for trust fund activities; and
- Review Umoja enterprise roles to ensure they are assigned to the appropriate personnel and provide necessary training, as well as ensure that the Umoja grant management module is working as intended and that the system features are effectively utilized.

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

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Audit of the management of the trust fund for peace and security in the United Nations Multidimensional Integrated Stabilization Mission in Mali

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the management of the trust fund for peace and security in the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA).

2. The trust fund was established in January 2013 to provide support to Malian-led efforts to resolve the crisis in Mali including: (a) assisting in the restoration of constitutional order and national unity; and (b) providing support to Malian institutions in critical areas including rule of law and security institutions, mine action, promotion of national dialogue, security sector reform, human rights and demobilization, disarmament and reintegration of former combatants, and facilitating coordinated assistance and expertise in these areas. Fourteen donors had contributed \$62 million to the trust fund and \$49 million had been allocated to finance 127 projects of which 49 were in progress, and 78 were completed as at 31 December 2017.

3. The MINUSMA Special Representative of the Secretary-General (SRSG) was designated by the Controller as the Programme Manager of the trust fund, with the Director of Mission Support (DMS) being responsible for its overall financial control. The Mission established a Trust Fund Unit (TFU) that was responsible for coordinating and monitoring the work of implementing entities and reporting to donors. Projects were being implemented by partners such as non-governmental organizations (NGOs), United Nations agencies and local authorities as well as Mission components such as the Civil Affairs, Justice and Correction, Gender and Engineering Sections. Table 1 shows the statistics of the projects by implementing entities.

Table 1
The MINUSMA trust fund projects by implementing entities (in \$'000)

<i>Implementing entities</i>	<i>Total</i>		<i>On-going projects</i>		<i>Completed projects</i>	
	<i>Number of projects</i>	<i>Amount</i>	<i>Number of projects</i>	<i>Amount</i>	<i>Number of projects</i>	<i>Amount</i>
MINUSMA						
(a) Mission components	52	32,065	17	18,399	35	13,666
Implementing partners						
(a) NGOs	58	11,624	19	5,186	39	6,438
(b) United Nations agencies	2	1,275	2	1,275	0	0
(c) Local authorities	15	4,142	11	3,621	4	521
Total	127	\$49,106	49	\$28,481	78	\$20,625

Source: database of the MINUSMA TFU

4. The TFU was headed by a programme officer at the P-4 level who reported to the Director of Stabilization and Recovery. The Unit had two approved posts comprising one international staff and one United Nations volunteer. The approved staffing cost of the Unit for the fiscal year 2017/18 was \$265,000.

5. Comments provided by MINUSMA are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess the effectiveness of the management of the MINUSMA trust fund including compliance with established procedures and contribution agreements.
7. This audit was included in the 2018 risk-based work plan of OIOS due to financial, operational and reputational risks associated with the management of the trust fund.
8. OIOS conducted this audit from February to November 2018. The audit covered the period from 1 July 2015 to 31 December 2017 and covered certain procedures since the establishment of the fund as well as those relevant to 2018. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the management of the trust fund, which included governance mechanisms, project planning and monitoring, programme evaluation, financial management and reporting.
9. The audit methodology included: (a) interviews of key personnel, (b) reviews of relevant documentation, (c) analytical reviews of data, (d) sample testing of trust fund transactions, and (e) site visits to 13 of 46 projects located in Timbuktu, Gao, Mopti and Kidal.
10. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Governance

MINUSMA had established an appropriate governance structure, but needed to clarify roles of certifying and approving officers

11. MINUSMA is required to establish a governance structure to ensure proper administration and management of the trust fund.
12. MINUSMA established a Project Review Committee (PRC) to ensure there was a transparent process for reviewing and selecting projects to be implemented from the trust fund. The PRC was chaired by the Deputy SRSG Resident Coordinator/Humanitarian Coordinator, and its members included the Deputy SRSG Political, Force Commander, Police Commissioner, Chief of Staff, DMS, Senior Legal Adviser, Director of Civil Affairs and Director of Human Rights. The PRC convened regularly during the audit period in accordance with its terms of reference. A review of 30 of 51 minutes of meetings indicated that the PRC actively deliberated on and made important decisions and recommendations to the SRSG for approval of selected project proposals and also communicated that the Mission needed to comply with the Human Rights Due Diligence Policy (HRDDP) and donor reporting. However, PRC's project selection and monitoring procedures could be improved, as outlined later in the report.
13. The TFU, in accordance with its terms of reference, acted as the secretariat for the trust fund, maintaining up-to-date contribution agreements and serving as the communication focal point for donors, host government, United Nations agencies and implementing partners. The Unit coordinated with various components of the Mission including lead sections, the Mission Support Division and Legal Affairs Section to formulate cost plans and prepare memoranda of understanding for signing with implementing partners and to fulfil reporting obligations to donors. The Unit actively supported the convening of PRC meetings by developing meeting agenda and maintaining minutes of meetings. However, the Unit's support to the PRC could be improved, as mentioned later in the report.

14. The SRSG approved the MINUSMA SOP which was up-to-date and provided comprehensive information on the purpose and roles and responsibilities of those involved in trust fund management and administration.

15. However, as at December 2018, the DMS had not nominated a certifying officer for trust fund activities, and the list of Umoja roles assigned showed the DMS as both certifying and approving officer of the trust fund. This occurred because the Mission's Finance and Budget Section was of the view that there was no incompatibility in roles of the DMS as a certifying officer and an approver of the cost plans and in the Section's opinion, this was supported by the Umoja role guide and the enterprise role mapping guide on iSeek. Nonetheless, the amended terms of reference for the trust fund issued by the Controller dated May 2018 specifically requested the DMS to nominate others as certifying officers for the fund, as the DMS was the approver of the cost plan. During the audit, the Finance and Budget Section approached the Controller's Office to clarify the intent of the Controller's instruction; however, the Mission has not received clarification from the Controller. Although all transactions reviewed were executed for the intended purpose of the trust fund and properly supported, granting both certifying and approving roles to the DMS presented a risk of not observing the principle of segregation of duties.

(1) MINUSMA should seek clarification from the Controller with respect to the instruction for the Mission to nominate a certifying officer for the trust fund.

MINUSMA accepted recommendation 1 and stated that the recommendation had been overtaken by the change in the delegation of authority framework as part of the Organization's management reforms which came into effect from January 2019. As a result, full delegation of authority for the management of the trust fund had been transferred from the Controller to the Mission, thereby rescinding previous directives. The Mission would, upon implementation of the new framework, process local delegations of authority to accommodate the requirements of the trust fund. Recommendation 1 remains open pending receipt of evidence that the delegation of authority framework has been implemented and the principles of segregation of responsibilities have been properly applied for the trust fund.

A resource mobilization strategy was not developed as the trust fund was well funded

16. MINUSMA had not developed a resource mobilization strategy, as required by its SOP. However, a trend analysis prepared by OIOS showed that total contributions had increased from \$12 million in 2014 to \$62 million in 2017 and the number of projects increased from 11 to 127 over the same period. Notwithstanding the increase in contributions and implemented projects, the absence of a formal resource mobilization strategy increased the risk of unpredictability of funding in the longer term, which may impair on the ability of the Mission to fund and execute projects in the future. For instance, at the time of the audit, there were 53 projects in the pipeline worth \$22 million which could not be funded from available earmarked funds.

17. The Mission explained that the development of a formal resource mobilization strategy had not been prioritized due to the high level of funding already received in the absence of a formal strategy and its limited staffing and other support capacity. Based on the information provided, OIOS did not make a recommendation on developing a resource mobilization strategy at this time.

B. Project selection and monitoring

The project review and selection process needed to be improved

18. The PRC, prior to recommending projects for SRSG's selection, was required to review adequacy of project proposals to ensure they were in line with the purpose of the trust fund. The Committee was also responsible for assessing: (a) the capacity of implementing partners and sustainability of projects; (b) measures to mitigate implementation risks; (c) reliability of project cost plans; and (d) whether projects had taken into account the specific interests of women and the most vulnerable population groups. The DPKO/DFS policy on gender responsive United Nations peacekeeping operations also required the targeting of 15 per cent funding for specific projects that support gender equality, women, peace and security mandates, and women's empowerment in peacekeeping operations.

19. OIOS review of documents related to 76 of the 127 projects noted that the PRC was reviewing project proposals to ensure they met the purpose of the trust fund and that cost plans were reliable. They were also, in the most part, completing the required checklists to confirm that consultations had been held with local authorities, appropriate HRDDP procedures were conducted, and risk assessments and environmental impact assessments were completed. However, the reviews conducted by the PRC needed to be strengthened as demonstrated in the following examples:

- For 5 of the 35 projects assigned to external partners, there was no evidence that the PRC properly assessed their capacity to implement projects or the adequacy of their project proposals, as the relevant sections of the mandatory checklist had not been completed;
- Twenty projects implemented by partners were subsequently rated as weak, indicating that there may have been insufficient review by PRC of their capacity to implement the assigned project; and
- Only 4 of the 76 projects (5 per cent) had specific focus on gender-related issues and most vulnerable groups. The TFU indicated that the operating environment created challenges in achieving higher distribution of projects using the gender-related indices.

20. OIOS also noted that the preliminary review of projects by the TFU and lead sections prior to submission to the PRC was a contributing factor to the examples noted above and therefore also needed to improve. The following was noted:

- The PRC approved a project proposal submitted by the Mission's regional office in Kidal to build a central purchase centre for animal-feeding fodder costing \$269,000. A similar project was being financed by local authorities, but this was not identified by the Kidal regional office when developing its proposal; and
- As at December 2018, a road rehabilitation project in Timbuktu with an estimated cost of \$2.6 million had not started, although the project proposal initially scheduled it to start in September 2016 and be completed in eight months. This was due to a flawed technical evaluation prepared by the MINUSMA Engineering Section prompting the Headquarters Committee on Contracts to recommend the issuance of a new solicitation, which was still ongoing at the time of the audit.

21. The above resulted as the TFU and lead sections, prior to submitting proposals to the PRC was not ensuring that project selection criteria were thoroughly considered in all cases and that partners had the capacity to implement projects. It was also because PRC members needed additional guidance on their responsibilities to ensure checklists were systematically completed as part of the review process.

Additionally, MINUSMA had not sufficiently prioritized its initiatives and introduced mechanisms to increase the number of projects dedicated to gender-related issues and most vulnerable groups. Without adequate reviews of project proposals, there was a risk that the Mission was not always selecting the most cost-effective and impactful projects in support of resolving the crisis in Mali.

(2) MINUSMA should, to improve the impact of trust fund projects, strengthen the review of project proposals as well as its assessment of the capacity of partners to implement them, and implement additional initiatives to increase the number of projects dedicated to gender-related issues and most vulnerable groups.

MINUSMA accepted recommendation 2 and stated that procedures would be put in place to strengthen the review of project proposals including the assessment of implementing partner capabilities, sign-off of partner selection checklists by Heads of Sections/Heads of Offices, and provision of gender-related information to the PRC. Recommendation 2 remains open pending receipt of evidence of additional procedures for ensuring that all project selection criteria are properly considered during the project selection process.

Monitoring of projects needed to be strengthened

22. The TFU, as part of its monitoring responsibilities, is required to: (a) obtain from implementing partners mid-term progress and financial reports; and (b) track the accomplishment of scheduled milestones during the execution of a project and its planned completion date. Lead/sponsoring sections who have been teamed up with implementing partners are responsible for regularly visiting project sites and preparing and submitting monitoring reports to the TFU. The TFU is responsible for raising concerns identified through project monitoring to the PRC for appropriate decision.

23. OIOS review of documents relating to 35 projects, comprising 20 on-going and 15 completed projects, and visits to sites for 13 projects noted that project monitoring needed to improve. This was because: (a) the TFU was not adequately tracking that project milestones were being met and systematically escalating delays and problems in receiving progress reports from partners to the PRC; and (b) lead/sponsoring sections were not consistently conducting monitoring visits of projects. As a result:

- OIOS analysis indicated that 16 on-going projects were already delayed by on average 15 months, and 12 completed projects took on average 19 months longer than planned;
- A United Nations agency had not been providing timely progress updates on the status of a project for the support to redeployment of administration and consolidation of the rule of law in the north of Mali, costing \$1.1 million. At the time of the audit, the project that started in 2014 and scheduled to be completed within 12 months, was still ongoing;
- The lead sections did not conduct monitoring visits to the sites of 11 of 35 projects. The TFU explained that some project sites were not visited because of security issues; and
- OIOS visits to 3 of 14 locations, where internet connectivity under a project costing \$214,000 to strengthen technical capacity of the rule of law function in a region was provided, showed that the internet servers were not working at 2 of the 3 locations. OIOS was informed by the beneficiaries that the equipment, which had been installed six months earlier, only worked for one month.

24. The above occurred because, although the Mission provided guidance in its SOP, it had not provided adequate training to staff of the TFU and other Mission components for project monitoring and to

implementing entities on their reporting responsibilities. The Unit stated that insufficient staffing resources contributed to their inability to track the timeliness of project implementation and to identify and report problems impacting project implementation to the PRC. The Mission informed OIOS that the Unit recently received funding from programme support costs of the trust fund for two additional posts and were of the view that this would enable the Unit to improve their monitoring and reporting on the status of projects.

25. Inadequate monitoring and lack of reporting issues to the PRC contributed to delays in project implementation, reduced project impact and increased the risk that the trust fund objectives would not be achieved.

(3) MINUSMA should provide training and further guidance to all staff with monitoring responsibilities to ensure monitoring visits are conducted, progress reports are followed up and submitted when required, and problematic projects are escalated to the Project Review Committee for appropriate action.

MINUSMA accepted recommendation 3 and stated that training sessions to guide implementing partners and Mission staff on project design, project monitoring and reporting on the status of projects are conducted regularly in the regions and would continue on an ongoing basis. With the additional staff, the Trust Fund Unit would be better equipped to track implementation timelines and report accordingly to the PRC. Recommendation 3 remains open pending receipt of evidence that training has been provided, additional guidance on project monitoring and reporting has been issued, and problematic projects are being escalated to the PRC for appropriate action.

Need to improve timely fund utilization

26. Most of donor's contribution agreements with MINUSMA indicated the period in which they expected their contributions to be utilized and required the Mission to start using their contributions immediately after their receipt. MINUSMA is required to remit to its implementing partners: (a) the first installment within 30 days after the signing of respective memorandum of understanding with the implementing partners; and (b) the second installment 20 days after receipt of the project's progress report from the implementing partner.

27. OIOS review of 40 ongoing projects totaling \$13.4 million and 25 completed projects totaling \$15 million showed that on the average, donor contribution agreements specified that a project should be completed within one year from the date of receipt of the contribution. However, MINUSMA was not always promptly remitting donor contributions to implementing partners, as follows:

- The number of days between receipt of donor contributions and payments of initial installments varied from 40 days to more than two years, representing on average of 256 days. MINUSMA explained that 60 per cent of the projects met the timeline of between 40 and 60 days whereas two projects which experienced significant delays of over two years including the road rehabilitation project mentioned above, had impacted on the average length of time noted. As a result, the utilization rate of contributions was an average of 80 per cent as against an ideal 100 per cent at the time of the audit. Also, \$3.3 million in contributions had not been allocated to projects for over a year;
- In 14 of the 25 completed projects reviewed, their fund utilization was delayed for periods ranging between 12 and 28 months;

- The first installment, to be paid within 30 days of the signing of the memorandum of understanding; and the second installment which should be made within 20 days after satisfactory submission of the implementation report were paid on average 15 days past the established timelines; and
- Funds for four ongoing projects totaling \$1 million had no financial activity for over one year, although MINUSMA paid the first installments to the implementing partners, and the scheduled duration of the projects were between six to eight months.

28. The Mission had not implemented a system to monitor delays in funding to improve the timely use of trust funds. Delays were mainly due to: (a) internal processing delays in the review and processing of project proposals; (b) incorrect bank account information provided by implementing partners and inability of local bank systems to accept electronic transfers; and (c) disagreement with United Nations agencies on the level of programme support costs for four projects which led to handing the projects over to new implementing partners, resulting in delays in project implementation. The Controller subsequently authorized more flexibility for adjusting programme support costs to prevent such delays in the future. There were also external factors such as security challenges at certain locations and delays in the implementation of the peace agreement which affected utilization of donor contributions earmarked for that purpose including \$2.2 million of the unallocated \$3.3 million which was earmarked for the cantonment process. It would be beneficial if the Mission systematically informs donors of the potential external factors which may delay fund utilization and project completion, to minimize an expectation gap. The inability to promptly utilize donor contributions could tarnish the Mission's reputation.

(4) MINUSMA should: (a) implement a mechanism to monitor utilization of donor contributions to increase their use in a timely manner; and (b) identify and take appropriate actions on factors causing delays with fund utilization and project completion to minimize the delays.

MINUSMA accepted recommendation 4 and stated that a system has been put in place to better monitor the utilization of donor contributions and delays with fund utilization and project completion. This would enable the Mission to take appropriate actions on factors causing delays. Recommendation 4 remains open pending receipt of evidence that procedures have been established to monitor and improve utilization of donor funds.

C. Project evaluation

There was a need to improve project evaluation procedures

29. MINUSMA requires implementing entities to conduct an end of project evaluation within six months from the closure of the project. Payment of the final installment to an implementing partner was dependent on receipt of the evaluation report. Additionally, the Secretary-General's bulletin (ST/SGB/2000/8) on regulations and rules governing programme planning, the programme aspects of the budget, the monitoring of implementation and methods of evaluation requires MINUSMA to conduct periodic independent evaluations to assess the relevance, efficiency, effectiveness and impact of trust fund activities.

30. In November 2017, MINUSMA engaged the services of an external consultant who conducted an independent evaluation of 36 projects implemented between June 2015 and June 2017. The recommendations from the evaluation report issued in June 2018 included the need for MINUSMA to redirect the trust fund activities towards the most pressing needs in certain communities, and to replicate certain projects in other communities thus making a case for additional support. MINUSMA had, in March

2018, established a Project Prioritization Committee pursuant to the June 2017 review of its mandate. The Committee was expected to help address key issues emanating from the external evaluation exercise.

31. OIOS review of 35 of the 78 completed projects, comprising 15 implemented by implementing partners and 20 implemented by the lead sections, indicated that in all 15 projects implemented by implementing partners, the partners conducted end of project evaluations. A review of the evaluation reports showed that they were properly prepared and included details on achievements, the impact of project and lessons learned. However, for all the 20 projects implemented directly by the Mission, lead sections were not conducting evaluations. This was because the Mission had not clearly assigned the responsibility of the requirement of project evaluation by lead sections. This resulted in missed opportunities to assess the impact of projects implemented and benefit from lessons learned to improve future project delivery.

(5) MINUSMA should establish a mechanism to ensure that its components responsible for implementing trust fund projects conduct end of project evaluations.

MINUSMA accepted recommendation 5 and stated that a mechanism has been put in place to better monitor and hold accountable Mission components when they are directly implementing projects to include disbursement of funds in tranches in a similar manner to funding of externally implemented projects. Recommendation 5 remains open pending receipt of evidence that procedures have been established to ensure that end of project evaluations are conducted for all trust fund projects.

D. Financial management

The cost of goods purchased from assessed funds and used exceptionally in trust fund activities were not promptly recovered

32. The contribution agreements with donors require the Mission to utilize donor funds for approved purposes in accordance with applicable United Nations regulations and rules. OIOS review of supporting documents for 60 payments amounting to \$13.8 million indicated that disbursements were related to the appropriate trust fund projects, supported by invoices and other relevant documents; and that the Finance and Budget Section closely followed up with the allotment instructions of the Controller and ensured proper segregation between purchases and cash disbursements of the trust fund and the Mission's assessed funds. All contributions and cash disbursements were correctly processed within the Umoja grants management module and expenditures were made according to the approved cost plans.

33. Unless approved by the Controller, assessed funds should not be utilized for trust fund activities. However, in 2016/17 and 2017/18, the Mission's stock of fuel, water and ration packs totaling \$523,000, purchased with assessed funds were used to support four trust fund projects. The Finance and Budget Section explained that due to exigencies from unique operational conditions such as security and logistics challenges, the Mission on occasion had allowed stock purchased from assessed funds for trust fund activities. OIOS acknowledges that this may be required on an exceptional basis; however, after one year, the Mission had still not regularized the situation. This was because the Mission was not systematically tracking this to ensure funds were transferred in a timely manner, increasing risk that funds (assessed and trust funds) were not used for their intended purposes.

(6) MINUSMA should implement a formal mechanism to track and promptly recover the Mission's assessed funds used for the trust fund activities.

MINUSMA accepted recommendation 6 and stated that improvements would be made to recover advances from the trust fund in a more systematic and timely manner as additional personnel have

been identified and tasked with coordinating the cost recovery process and ensuring that costs related to projects are charged to appropriate accounts. Recommendation 6 remains open pending receipt of evidence of a mechanism established to track and recover non-cash advances and recoveries made for \$523,000 worth of materials provided for the four trust fund projects.

Need to review the implementation of the Mission’s Umoja grants management module

34. According to the instruction of the Office of Programme Planning, Budget and Accounts on Umoja Grants Management, MINUSMA is required to: (a) map users with trust fund management responsibilities to their respective roles; (b) upload in a timely manner important grant-related documents such as contribution agreements, cost plans, budgets, financial statements and substantive reports; and (c) appropriately utilize the Umoja grants management module for the administration and management of workflows. The instruction further specified Umoja enterprise roles and indicated the offices or sections to which those roles were to be assigned.

35. MINUSMA had deployed the Umoja grants management module for the trust fund. However, the Umoja enterprise roles, such as account creator, project manager user, project manager approver, budget user and budget approver, to be assigned to appropriate staff of the TFU and other Mission components were either being undertaken manually outside Umoja or given to the Finance and Budget Section staff who had separate Umoja roles. As a result, the Umoja grants management module was not fully utilized. For example, grant-related documents had not been uploaded to Umoja and were maintained outside Umoja. Also, the TFU used Excel spreadsheets to record and report on project expenditures, although information on expenditures were available in Umoja. Furthermore, there were various useful analytical features in Umoja such as a trend of donor contributions by sectors or each donor; however, the Unit did not use these features.

36. The above occurred because of insufficient number of staff trained in using the Umoja grants management module. As a result, there was a missed opportunity to take full advantage of the Umoja system for efficient processing and reporting of the trust fund transactions.

(7) MINUSMA should review Umoja enterprise roles to ensure they are assigned to the appropriate personnel and provide necessary training, as well as ensure that the Umoja grants management module is working as intended and that the system features are effectively utilized.

MINUSMA accepted recommendation 7 and stated that although training had been provided on the Umoja grants management module to staff in the Finance Section, more training was being arranged. Other staff with trust fund responsibilities are being encouraged to undertake the online prerequisite training to enable the assignment of access rights that match their responsibilities. Recommendation 7 remains open pending receipt of evidence that staff with trust fund responsibilities are trained and their access roles are adequately assigned in the use of the Umoja grants management module.

E. Reporting

Reporting requirements to the donors were met

37. The contribution agreements signed by MINUSMA require the Mission to periodically report to donors on both financial and substantive activities. The SRSG is required to approve the reports prior to submission to donors. The TFU submitted all the required reports to donors for 2016/17 and 2017/18 after obtaining the SRSG's approval. A review of all reports submitted to donors during 2016/17 and 2017/18 indicated that they presented accurate substantive and financial information, including delays in project implementation and need for extension of project periods. OIOS concluded that the Mission met its reporting requirements to the donors.

Reporting requirements to the Government of Mali were met

38. The MINUSMA SOP requires the TFU to ensure annual reporting to the Government of Mali (GoM) on projects funded by the trust fund which should be accompanied by a letter from the SRSG. The annual reports for period 2016/17 and 2017/18 to GoM were timely prepared and submitted to GoM with a cover letter conveying the approval of the SRSG. The annual reports contained detailed and accurate project information. OIOS concluded that the Mission met its reporting requirements on the trust fund to GoM.

IV. ACKNOWLEDGEMENT

39. OIOS wishes to express its appreciation to the management and staff of MINUSMA 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 management of the trust fund for peace and security in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	MINUSMA should seek clarification from the Controller with respect to the instruction for the Mission to nominate a certifying officer for the trust fund.	Important	O	Receipt of evidence that the delegation of authority framework has been implemented and that the principles of segregation of responsibilities have been properly applied for the trust fund.	31 March 2019
2	MINUSMA should, to improve the impact of trust fund projects, strengthen the review of project proposals as well as its assessment of the capacity of partners to implement them, and implement additional initiatives to increase the number of projects dedicated to gender-related issues and most vulnerable groups.	Important	O	Receipt of evidence of additional procedures for ensuring that all project selection criteria are properly considered during the project selection process.	30 June 2019
3	MINUSMA should provide training and further guidance to all staff with monitoring responsibilities to ensure monitoring visits are conducted, progress reports are followed up and submitted when required, and problematic projects are escalated to the Project Review Committee for appropriate action.	Important	O	Receipt of evidence that training has been provided, additional guidance on project monitoring and reporting has been issued, and problematic projects are being escalated to the PRC for appropriate action.	30 June 2019
4	MINUSMA should: (a) implement a mechanism to monitor utilization of donor contributions to increase their use in a timely manner; and (b) identify and take appropriate actions on factors causing delays with fund utilization and project completion to minimize the delays.	Important	O	Receipt of evidence that procedures have been established to monitor and improve utilization of donor funds.	30 June 2019

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 MINUSMA in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the management of the trust fund for peace and security in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical¹/ Important²	C/ O³	Actions needed to close recommendation	Implementation date⁴
5	MINUSMA should establish a mechanism to ensure that its components responsible for implementing trust fund projects conduct end of project evaluations.	Important	O	Receipt of evidence that procedures have been established to ensure that end of project evaluations are conducted for all trust fund projects	30 June 2019
6	MINUSMA should implement a formal mechanism to track and promptly recover the Mission's assessed funds used for the trust fund activities.	Important	O	Receipt of evidence of a mechanism established to track and recover non-cash advances and recoveries made for \$523,000 worth of materials provided for the four trust fund projects	30 June 2019
7	MINUSMA should review Umoja enterprise roles to ensure they are assigned to the appropriate personnel and provide necessary training, as well as ensure that the Umoja grant management module is working as intended and that the system features are effectively utilized.	Important	O	Receipt of evidence that the staff with trust fund responsibilities are trained and their access roles are adequately assigned in the use of the Umoja grants management module.	30 September 2019

APPENDIX I



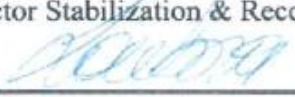
Management Response



FACSIMILE

11 March 2019

Reference: MINUSMA/ODMS/2019/085

TO: Mr. Daeyoung Park Chief, Peacekeeping Audit Service Internal Audit Division, IOS, Entebbe	FROM: Michael Mulinge Kitivi Director of Mission Support 
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SUBJECT: Draft report on an audit of the management of Trust Fund in the United Nations Multidimensional Integrated Stabilization Mission in Mali (Assignment No. AP2017/641/06)	
Total number of transmitted pages including this page: 19	
<ol style="list-style-type: none">1. Reference is made to your memo dated 08 February 2019.2. Please find attached MINUSMA's response to the findings and recommendations that OIOS considered important in the report.3. We have taken note of the recommendations and are determined to take the necessary actions to improve the efficiency and effectiveness of the management of the UN Trust Fund for Peace and Security in Mali.4. The Mission's comments on OIOS's recommendations are attached herewith.	
Best regards.	
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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MINUSMA should seek clarification from the Controller with respect to the instruction for the Mission to nominate a certifying officer for the Trust fund and act as appropriate.	Important	Yes	CFBO	31/03/2019	This has been overtaken by events. The UN Delegation of Authority framework has been changed starting January 2019 as part of the management reforms that includes full delegation from the Controller to the mission for Trust Fund Management. This has rescinded previous directives. The Mission will be processing local delegation of authority and this requirement will be accommodated with the new delegations currently underway in the Mission.
2	MINUSMA should, to improve the impact of trust fund projects, strengthen the review of project proposals as well as its assessment of the capacity of partners to implement them, and implement additional initiatives to increase the number of projects dedicated to gender-related initiatives and most vulnerable groups.	Important	Yes	Trust Fund Manager	30/06/2019	MINUSMA concurs with the recommendation. Further emphasis will be put on the assessment of implementing partners' capacity, and Heads of Mission components will be required to sign off the partner selection checklists for projects submitted by their offices. The Trust Fund Secretariat has prepared a monitoring mechanism for gender-related initiatives and will regularly report on this to the PRC. In

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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						<p>addition, an external evaluation of MINUSMA's capacity to mainstream gender in Trust Fund projects is ongoing (funded directly by Sweden – one of the donor countries to the Trust Fund) and this external evaluation will include recommendations on how to improve gender mainstreaming in Trust Fund projects.</p>
3	<p>MINUSMA should provide training and further guidance to all staff with monitoring responsibilities to ensure monitoring visits are conducted, progress reports are followed up and submitted when required, and problematic projects are escalated to the Project Review Committee for appropriate action.</p>	Important	Yes	Trust Fund Manager	30/06/2019	<p>The Mission concurs with the recommendation.</p> <p>Training sessions to guide implementing partners and Mission staff on project design, project monitoring and reporting on status of projects are already regularly conducted in the regions and this will be an ongoing process.</p> <p>The Trust Fund Unit staffing has increased, and this will enable the Unit to better track implementation timelines and report accordingly to the Project Review Committee (PRC).</p> <p>It was agreed that language on the challenges faced with project implementation and project monitoring due to insecurity and the delays in the implementation of the peace agreement should be included in the SOP.</p>

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4	MINUSMA should: (a) implement a mechanism to monitor utilization of donor contributions to increase their use in a timely manner; and (b) identify and take appropriate actions on factors causing delays with fund utilization and project completion to minimize the delays.	Important	Yes	Trust Fund Manager	30/06/2019	<p>The Mission concurs with the recommendation.</p> <p>A system has been put in place to better monitor the utilization of donor contributions and delays with fund utilization and project completion in order to be able to take appropriate actions on factors causing delays.</p>
5	MINUSMA should establish a mechanism to ensure that its components responsible for implementing trust fund projects conduct end of project evaluations of all their projects.	Important	Yes	Trust Fund Manager	30/06/2019	<p>MINUSMA agrees with the recommendation. A mechanism has been put in place to better monitor and hold accountable Mission's components when they are directly implementing projects. This includes disbursement of the funds in tranches in a similar manner to the funding of externally implemented projects. This change will be reflected accordingly in the SOP.</p>
6	MINUSMA should implement a formal mechanism to track and promptly recover the Mission's assessed fund used for the trust fund activities.	Important	Yes	DMS	30/06/2019	<p>The Mission concurs with the recommendation.</p> <p>The Mission, through the Trust Fund Secretariat, identified additional personnel tasked with the formalised activities of coordinating cost recovery process with the respective Mission Support Sections (Cost Centres) and the project plans will include details on how projects are to be implemented so those implemented through Mission Support can be tracked and charged appropriately.</p>

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7	MINUSMA should review Umoja enterprise roles to ensure they are assigned to the appropriate personnel and provide necessary training, as well as ensure that the Umoja grant management module is working as intended and that the system features are effectively utilized.	Important	Yes	CFBO	30/09/2019	<p>The Mission concurs with the recommendation.</p> <p>The wider team of Finance and Budget has been provided Umoja Training on Grant Management who may be involved in processing transactions and further training is being arranged. Enhanced system access will be provided for relevant staff where the training pre-requisites have been met. The Grant Management module has been fully implemented in MINUSMA since April 2016. The prerequisite trainings for report generations in Umoja are available online and Finance and Budget has been encouraging all those that require access to complete the online courses to be granted access in line with Umoja enterprise requirements. The Finance and Budget team will also provide wider training to the Trust Fund Unit to ensure consistency of data is used and that the Unit can enquire on the data directly for a more efficient process.</p>
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