



INTERNAL AUDIT DIVISION

REPORT 2018/014

Audit of quick-impact projects in the African Union-United Nation Hybrid Operation in Darfur

The Mission needed to ensure that completed projects are used, field visits are planned and funds are disbursed timely to implementing partners

22 March 2018

Assignment No. AP2017/634/08

Audit of quick-impact projects in the African Union-United Nations Hybrid Operation in Darfur

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of quick-impact projects (QIPs) in the African Union-United Nations Hybrid Operation in Darfur (UNAMID). The objective of the audit was to assess the adequacy and effectiveness of controls over management of QIPs that ensure they benefit the local population in Darfur while maintaining adequate control over costs and timely execution of projects. The audit covered the period from 1 July 2015 to 30 June 2017 and included governance structure for QIPs, project lifecycle management and evaluation of QIPs programme.

UNAMID ensured that QIPs addressed the needs of the community after consultation with various stakeholders, and maintained adequate control over QIPs expenditures. However, although the current QIPs programme has been replaced, OIOS identified that in its design of the control framework for the new programme, UNAMID should: ensure projects implemented are used for the intended purposes; improve planning of monitoring field visits of projects; and ensure instalments to implementing partners are made in a timely manner.

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

- Assess project outputs a few months after completion to check whether they are being used as expected, determine reasons if they are not being used and take appropriate action to make them usable;
- Make payments to implementing partners outside El Fasher via bank transfer; and
- Ensure availability of specialists and sponsoring sections that are assigned monitoring responsibilities to assess progress of project implementation, and project field monitoring visit schedules are agreed with implementing partners in advance.

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

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Audit of quick-impact projects in the African Union-United Nations Hybrid Operation in Darfur

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the quick-impact projects (QIPs) in the African Union-United Nations Hybrid Operation in Darfur (UNAMID).

2. QIPs are small-scale, high visibility projects, quickly implementable within six-months, designed to promote acceptance of the mandated tasks of UNAMID; build confidence in the peace process; and generate local support for the Mission. QIPs support UNAMID in its drive for social integration, conflict resolution and reconciliation, cohesion and community infrastructure to better contribute to the Darfur Peace Process. QIPs play a key role in strengthening the link between the Mission and local population in addressing the latter's specific needs through projects.

3. In December 2014, UNAMID restructured and decentralized the management of QIPs by setting up review committees and implementing follow-up teams and technical assessment teams at the sectors. While the Sector Review Committees and Technical Assessment Teams operate at each of the five sectors of the Mission to review project proposals, the Technical Review Team (TRT) at Mission headquarters reviews the proposals forwarded to it from these committees and makes the final recommendation to the Project Review and Approval Committee (PRAC). The PRAC is chaired by the Joint Special Representative and comprises the Director of Mission Support, Force Commander, Police Commander and Chief of the Civil Affairs Section (CAS). In addition to final approval of project proposals recommended by the TRT, the PRAC provides oversight and guidance in the implementation of QIPs. The QIPs Management Cell within CAS manages all QIPs throughout their lifecycle.

4. Table 1 shows the budget and status of QIPs for fiscal years 2015/16 and 2016/17 as of 31 December 2017:

Table 1
Status of QIPs as of 31 December 2017

	<i>Approved budget</i>	<i>Number of projects</i>		
		<i>Approved</i>	<i>Completed</i>	<i>Ongoing</i>
2015/16	\$2 million	61	61	--
2016/17	\$2 million	71	69	2

5. The Mission decided to discontinue the QIPs programme effective January 2018 and to replace it with a new set of programmatic projects that are more suitable to the stabilization phase of the Mission. Therefore, as of 31 December 2017 there were only two ongoing projects, one which was 90 per cent complete and another physically completed and awaiting closure. The issues identified in this report will assist the Mission in implementing its new set of projects.

6. Comments provided by UNAMID are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the adequacy and effectiveness of controls over management of QIPs in UNAMID that ensure they benefit the local population in Darfur while maintaining adequate control over costs and timely execution of projects.
8. This audit was included in the 2017 risk-based work plan of OIOS due to reputational and operational risks related to the QIPs programme in UNAMID.
9. OIOS conducted this audit from August to November 2017. The audit covered the period from 1 July 2015 to 30 June 2017. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the QIPs programme, which included governance structure, QIPs lifecycle management and evaluation of QIPs programme.
10. The audit methodology included: (a) interviews of key personnel, (b) reviews of relevant documentation, (c) analytical reviews of data, (d) sample testing of 42 QIPs project files using a statistical random sampling approach, and (e) field visits to 12 sample project sites.
11. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Oversight and accountability for the QIPs programme

Need to strengthen QIPs programme oversight

12. The DPKO/DFS Policy on QIPs requires that appropriate mechanisms for QIP management, project selection and monitoring are established, and that these operate effectively and efficiently.
13. UNAMID established the PRAC, which is required to meet monthly and to follow up on the progress of implementation of QIPs.
14. The PRAC met seven times in 2015/16 and three times in 2016/17 instead of monthly. The Chief of CAS explained that due to the high-level membership of the PRAC, it was not possible to hold monthly meetings due to other work priorities. In 5 of the 10 meetings, the PRAC reviewed and documented the progress of QIPs. The CAS Chief explained that while all PRAC meetings discussed the progress of previously approved QIPs, the discussions were not always documented as the minutes captured only action points or matters requiring follow-up.
15. The lack of regular oversight and adequate documentation of PRAC oversight of project implementation could result in project delays and other implementation issues to not be identified and resolved on time.
16. UNAMID discontinued the QIPs programme but acknowledged the need to consistently document follow-up of project progress by the oversight committee in their new programmatic projects. In addition, implementation by UNAMID of recommendation 3 to conduct advance scheduling of monitoring field visits would be a mitigating control to ensure projects are adequately and timely implemented. In view of this, OIOS is not making a recommendation relating to this issue.

B. Thematic and geographical coverage of QIPs

QIPs were in line with the Mission's priority areas

17. The DPKO/DFS Policy on QIPs requires UNAMID to establish priorities for QIPs for geographic and thematic focus taking into account the unique nature and mandate of the mission, and in line with the overall mission plan and broader strategies for community outreach.

18. The PRAC set priority focus areas for QIPs at the start of the fiscal year based on input from heads of offices, substantive sections, police and military components through the Civilian-Military Coordination sector office staff who interacted with the community and other stakeholders to determine their needs. Some 80 per cent of projects for 2016/17 focused on support: to local administration/strengthening law enforcement institutions; and for basic services (education, health and water). The remaining 20 per cent focused on support for: income-generating activities, sexual and gender-based violence management and protection of women and children; and livelihood and environmental protection projects. OIOS concluded that the thematic and geographical coverage of QIPs were in line with the Mission's priorities.

C. Project lifecycle management

UNAMID needed to ensure completed projects were being used as expected after handover

19. The DPKO/DFS Policy on QIPs requires project proposals to be reviewed for compliance with the definition, purpose, nature and scope of QIPs before they are selected for implementation. Also, the selection of project proposals is to be guided by the quality of the project proposal and the implementation capacity of the proposed executing agency.

20. OIOS review of 42 out of 132 project files indicated: projects selected satisfied the definition, purpose, nature and scope of QIPs as outlined in the Policy; implementing partners were properly evaluated before the award of the project; a feasibility study and initial site visits were carried out by relevant experts; a memorandum of understanding was signed with the implementing partner; and project proposals were reviewed and approved by the relevant committees.

21. However, OIOS field visits to a sample of 12 project sites in four sectors identified the following projects that were not being used as intended:

- A \$10,000 project for vocational training to internally displaced women to make and sell goods, and train others in the skills they had learned. This project was not effective as there was insufficient capital to buy inputs for making projects, and a lack of a marketing strategy. The women also did not train others in the camp, as this segment of the project was not adequately funded and followed up. This project was intended to augment and complement the ongoing initiatives of local and international non-governmental organizations working in the camp as indicated in the project proposal document.
- A \$44,524 project for the construction of two training halls and one psychosocial support hall for the physically disabled at the Nyala physical rehabilitation center. The halls were not effectively used due to lack of furniture and materials for the psychosocial hall, and lack of electricity and air-conditioning for the halls rendering them unusable for almost six months. Supply of electricity and air conditioners was not part of the project proposal. UNAMID informed OIOS that there had been an expectation for the Government and/or other international organizations to provide such amenities and materials.

- A \$42,197 project for the construction of one male dormitory with two toilets and two bathrooms at Kutum prison. The dormitory built had never been used since completion in 2016 due to lack of septic tank that should have been built and connected with the toilets in the dormitory. The construction of the septic tank was not included in the project proposal, and UNAMID agreed that there was a need for better discussions prior to scoping such QIPs.
- A \$45,150 project for the construction of primary health care unit in Abugabra (Gughan), including four rooms, veranda, external fence and latrines. The facility was not being used as a primary health care unit since its completion due to lack of health workers, instead it was used as an accommodation facility for teachers.
- A \$29,376 project for the construction of a women development center, including two offices, a training hall, latrines and fence in El Daien. The center was not being used as expected due to lack of electricity, small equipment for use in providing women livelihood trainings, furniture and water supply.

22. The above resulted as, in developing project proposals, commitments were made by local authorities and government ministries, which ultimately did not honour their commitments. As a result, there was a risk that the above projects would not achieve the expected impact on the population.

(1) UNAMID should assess project outputs a few months after completion to check whether they are being used as expected, determine reasons if they are not being used and take appropriate action to make them usable.

UNAMID accepted recommendation 1 and stated that it had started assessing if all completed QIPs were being used as expected and that it would take appropriate actions to ensure that project outputs were being utilized. Recommendation 1 remains open pending receipt of: (a) evidence that UNAMID has assessed previous QIPs programme outputs and prepared an action plan to put into operation those that are not being used as intended; and (b) a copy of standard operating procedures for the new programmatic projects that include guidance to ensure projects are operational when handed over to beneficiaries.

UNAMID involved UNCT and other stakeholders in project selection to avoid duplication of projects and ensure project sustainability and buy-in

23. The DPKO/DFS Policy on QIPs requires consultation with relevant United Nations actors to ensure there is no duplication of the projects between UNCT and other actors. The Policy also requires consultation with representatives of national or local authorities and where appropriate the participation of local communities to ensure project buy-in and that projects address real needs.

24. Various stakeholders including local government authorities, community leaders and UNCT were involved at the initial stage before a project was approved. UNAMID maintained details of such interactions in the form of meeting minutes, email communications or support letters from local government authorities and community leaders for projects. While UNAMID had adequate procedures in place to ensure that UNCT and other stakeholders were consulted during project selection, further interaction may be necessary to ensure UNAMID QIPs are systematically used for the purposes intended. As recommendation one addresses this issue, no additional recommendation is made.

UNAMID maintained adequate control over project expenditures

25. The DPKO/DFS Policy on QIPs requires the executing agency to maintain financial and accounting documents concerning projects financed through the QIPs fund, including an up-to-date list of expenditures.

26. The QIPs Management Cell and the Finance Section staff signed on a standard form as evidence that original receipts related to disbursement of the first instalment were checked before payment of second and third instalments. Starting from fiscal year 2016/17 the QIPs Management Cell prepared an Excel sheet itemizing the budget per project once the project was approved. Original expenditure receipts were subsequently matched with the itemized budgeted amounts to ensure that there were no significant variations between budget and actual expenditures.

27. OIOS reviewed the related document for the fiscal year 2016/17 and concluded that there were adequate controls to ensure that QIPs expenditures were matched with actual receipts and that the expenditures remained within the approved project budget.

UNAMID needed to ensure timely disbursement of first instalment to implementing partners

28. The DPKO/DFS Policy on QIPs states that the Director of Mission Support is responsible for establishing expeditious administrative arrangements to support QIPs. The 9 December 2014 UNAMID Acting Joint Special Representative memo on management of QIPs recommended 10 working days for the signing of the memorandum of understanding (MoU) with the implementing partner from the time of PRAC approval of the project and 10 working days for the payment of the first instalment to the partner from the time the MoU was signed. The Policy requires the first instalment not to exceed 80 per cent of the total project cost.

29. The audit showed that the first instalment for the projects reviewed was limited to 60 per cent of the total project cost. Table 2 and 3 show significant improvements in the time taken between PRAC approval and signing of the MoUs, and from the MoU signing to the first instalment. Nevertheless, UNAMID needed to further improve the processing time since 60 per cent of projects in 2016/17 took more than 10 working days between PRAC approval and MoU signing; and 42 per cent of projects in 2016/17 took more than 10 working days between MoU signing and the disbursement of the first instalment.

Table 2

Time between PRAC approval and MoU signing

	<i>10 days or less</i>	<i>11-20 days</i>	<i>21-25 days</i>	<i>26-30 days</i>	<i>31-50 days</i>	<i>More than 50 days</i>	<i>Total</i>
2015/16	12%	70%	--	18%	--	--	100%
2016/17	40%	37%	3%	2%	5%	13%	100%

Table 3

Time between MoU signing and payment of first instalment

	<i>10 days or less</i>	<i>11-20 days</i>	<i>21-25 days</i>	<i>26-30 days</i>	<i>31-50 days</i>	<i>More than 50 days</i>	<i>Total</i>
2015/16	42%	48%	8%	--	2%	--	100%
2016/17	58%	42%	--	--	--	--	100%

30. The delay in payment of the first instalment to implementing partners was due to the practice of making payments through checks instead of bank transfers. The checks were prepared at El Fasher and sent to the various sectors. For those implementing partners outside El Fasher, checks were sent via UNAMID

staff travelling to the sectors, to be handed over to a staff member in the sector CAS who would in turn hand it over to the implementing partner. This practice started years ago when the bank used by UNAMID in Darfur took several days to process bank transfers and continued up to the present day without any justification. Nonetheless, since this bank has branches in each sector, the Finance Section indicated that the use of bank transfers would still be quicker than checks to disburse funds for implementing partners located outside El Fasher.

(2) UNAMID should make payments to implementing partners outside El Fasher via bank transfer.

UNAMID accepted recommendation 2 and stated that it would make payments to implementing partners via bank transfer for its newly proposed programmatic projects. Recommendation 2 remains open pending receipt of standard operating procedures for the new programmatic projects that will address this aspect of the payment process.

UNAMID needed to enhance planning of field monitoring visits

31. The DPKO/DFS Policy on QIPs requires monitoring and follow-up of projects including site visits before payment of subsequent instalments. The 9 December 2014 Assistant Joint Special Representative’s memorandum on management of QIPs stated that the Sector Implementation and Follow-up Team is required to conduct regular monitoring visits of ongoing and newly implemented QIPs.

32. UNAMID focal persons and engineers visited the project sites to monitor implementation progress. Typically, a project progress monitoring report was signed by UNAMID staff with pictures of the project site before the second and final instalment was paid.

33. However, delays in project implementation (from payment of first instalment to project closure), as indicated in Table 4, were attributed by the QIPs Management Cell to frequent lack of available engineers, and water and environmental protection specialists to conduct site visits. In addition, project monitoring schedules were not agreed with implementing partners when the MoU was signed. As a result, the schedule for Mission specialists to conduct field monitoring visits were not identified and planned at the start of projects.

Table 4
Time gap between the first instalment and project closure

	<i>3 months or less</i>	<i>3-4 months</i>	<i>4-5 months</i>	<i>5-6 months</i>	<i>6-7 months</i>	<i>More than 7 months</i>	<i>Total</i>
2015/16	16%	28%	36%	15%	5%	--	100%
2016/17	8%	6%	25%	36%	12%	13%	100%

34. Delays in project implementation could expose the project to risks of price fluctuation and lost opportunity to make timely correction of substandard work.

(3) UNAMID should take action to ensure availability of specialists and sponsoring sections that are assigned monitoring responsibilities to assess progress of project implementation. In addition, project field monitoring visit schedules should be agreed with implementing partners in advance when the memorandum of understanding is prepared.

UNAMID accepted recommendation 3 and stated that it has incorporated a template that contains field visit schedules in the MoU to be signed by the implementing partner prior to the commencement of the project. Based on the action taken by UNAMID, recommendation 3 has been closed.

D. QIPs programme evaluation

UNAMID carried out one QIPs programme evaluation during the period reviewed

35. The DPKO/DFS Policy on QIPs requires an annual evaluation of the QIPs programme to be carried out by the QIPs management team in coordination with the PRAC. Missions with ongoing QIPs programmes may periodically facilitate an external evaluation of the impact of the programme if required.

36. The last evaluation of the QIPs programme was carried out by an independent consultant in 2016 covering the three fiscal years from 2012/13 to 2014/15. UNAMID directly carried out an evaluation of the effectiveness of its QIPs programme for fiscal year 2015/16. The Chief of CAS explained that evaluation of the effectiveness of the QIPs programme was not carried out for 2016/17 due to lack of funds.

37. OIOS is not making any recommendation on this matter as UNAMID has decided to discontinue the QIPs programme and reallocate the funds to programmatic activities.

IV. ACKNOWLEDGEMENT

38. OIOS wishes to express its appreciation to the management and staff of UNAMID 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 quick-impact projects in the African Union-United Nations Hybrid Operation in Darfur

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNAMID should assess project outputs a few months after completion to check whether they are being used as expected, determine reasons if they are not being used and take appropriate action to make them usable.	Important	O	Receipt of: (a) evidence that UNAMID has assessed previous QIPs programme outputs and prepared an action plan to put into operation those that are not being used as intended; and (b) a copy of standard operating procedures for the new programmatic projects that include guidance to ensure projects are operational when handed over to beneficiaries.	30 June 2018
2	UNAMID should make payments to implementing partners outside El Fasher via bank transfer.	Important	O	Receipt of standard operating procedures for the new programmatic projects that will address payment method (via bank transfer) to implementing partners.	30 June 2018
3	UNAMID should take action to ensure availability of specialists and sponsoring sections that are assigned monitoring responsibilities to assess progress of project implementation. In addition, project field monitoring visit schedules should be agreed with implementing partners in advance when the memorandum of understanding is prepared.	Important	C	Action taken.	Implemented

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 UNAMID in response to recommendations.

APPENDIX I

Management Response

AFRICAN UNION

الاتحاد الأفريقي



UNAMID



UNITED NATIONS

الأمم المتحدة

African Union – United Nations Hybrid Operation in Darfur

Office of the Joint Special Representative

12 March 2018

To: Mr. Arnold Valdez, Officer-in-Charge
Peacekeeping Audit Service
Internal Audit Division, OIOS

From: Jeremiah Mamabolo, Joint Special Representative
UNAMID

Subject: **Draft report on an audit of quick-impact projects in the African Union-United Nations Hybrid Operation in Darfur (Assignment No. AP2017/634/08)**

1. With reference to your memorandum of 4 March 2018, on the captioned-subject, please find attached UNAMID response (Appendix I) to the draft report for your consideration.
2. I further confirm the factual accuracy of the report.

Thank you.

cc: Mr. Pierre Emmanuel Ubalijoro, Chief, Governance and Community Stabilization Section, UNAMID
Mr. Mike Dzakuma, Senior Civil Affairs Officer, UNAMID
Ms. Dorothy Choto, Audit Focal Point, UNAMID
Mr. Alexandre Etocke, Chief Resident Auditor, OIOS
Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS

APPENDIX I

Management Response

Audit of quick-impact projects in the African Union-United Nations Hybrid Operation in Darfur

Rec. no.	Recommendation	Critical¹/ Important²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1.	UNAMID should assess project outputs a few months after completion to check whether they are being used as expected, determine reasons if they are not being used and take appropriate action to make them usable.	Important	Yes	Chief of GCSS	30 June 2018	UNAMID accepts the recommendation and confirms that it has commenced an assessment of all completed Quick Impact Projects (QIPs) in the Sectors to determine if they are being used as expected, and, if otherwise, actions will be taken to ensure that projects are being utilized and engage stakeholders such as local authorities and government ministries to honor their commitments to sustain and maintain the project/s. The QIPs have been replaced by Community Stabilization Projects (CSP) and the related CSP standard operating procedures will be updated to ensure that completed projects are assessed to verify that they are being used as expected.
2.	UNAMID should make payments to implementing partners outside El Fasher via bank transfer.	Important	Yes	Chief of GCSS	30 June 2018	UNAMID accepts the recommendation and will make provision towards its implementation in the SOPs and Guidelines for the newly proposed programmatic funds.

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.

APPENDIX I

Management Response

Audit of quick-impact projects in the African Union-United Nations Hybrid Operation in Darfur

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3.	UNAMID should take action to ensure availability of specialists and sponsoring sections that are assigned monitoring responsibilities to assess progress of project implementation. In addition, project field monitoring visit schedules should be agreed with implementing partners in advance when the memorandum of understanding is prepared.	Important	Yes	Chief of GCSS	12 March 2018	<p>It is UNAMID standard practice to ensure that specialists and sponsoring sections conduct the monitoring to assess project implementation. In fact, 2nd and final instalments are not processed unless a monitoring report is submitted duly signed and concurred by specialists and sponsoring sections.</p> <p>UNAMID accepts the recommendation and has incorporated visit schedules in the MoU to be signed by the IP, prior to the commencement of the project implementation. Please refer to the MoU template on Programmatic Activities Funding (para 29, pg. 4 and 5).</p> <p>UNAMID requests closure of this recommendation.</p>