



INTERNAL AUDIT DIVISION

REPORT 2018/062

Audit of the United Nations Office to the African Union

The office adequately planned its core activities, but needed to improve monitoring of annual work plans and self-evaluation procedures, clearly articulate its backstopping requirements and strengthen administrative support and security arrangements

18 June 2018

Assignment No. AP2017/571/01

Audit of the United Nations Office to the African Union

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Office to the African Union (UNOAU). The objective of the audit was to assess the adequacy and effectiveness of the management of UNOAU substantive and support functions. The audit covered the period from 1 July 2015 to 30 December 2017 and included: planning and monitoring of UNOAU mandated activities; adequacy of United Nations Headquarters backstopping arrangements; and management of the public information, administrative, safety and security, and information and communications technology functions.

UNOAU adequately planned its core activities in alignment with its mandate. However, UNOAU needed to improve monitoring of its annual work plans and self-evaluation procedures to assess whether it was meeting its mandate, clearly articulate the backstopping support required from United Nations Headquarters and strengthen administrative support and security arrangements.

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

- Develop and implement systematic work plan monitoring and self-evaluation procedures;
- Implement a project management framework to guide the implementation of extrabudgetary funded projects and ensure effective and timely completion of project activities;
- Articulate its backstopping requirements for the Departments of Peacekeeping Operations, Political Affairs and Field Support to review and implement additional measures, as appropriate;
- Update the memorandum of understanding with Economic Commission for Africa (ECA) on the provision of administrative support, and supplement it with a service level agreement specifying required timelines and quality of services;
- Strengthen acquisition planning to optimize the purchase of goods and services through timely and competitive procurement;
- Increase participation in Security Management Team meetings;
- [REDACTED]
- Review, in consultation with Security Management Team in Ethiopia, the procedures for validating reimbursements of residential security costs

UNOAU accepted the recommendations and has initiated action to implement them

CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	1-2
III. AUDIT RESULTS	2-9
A. Planning and monitoring of mandated activities	2-4
B. United Nations Headquarters backstopping arrangements	4-5
C. Public information	5-6
D. Management of administrative functions	6-7
E. Safety and security	7-9
F. Information and communication technology	9
IV. ACKNOWLEDGEMENT	9
ANNEX I Status of audit recommendations	
APPENDIX I Management response	

Audit of the United Nations Office to the African Union

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Office to the African Union (UNOAU).
2. UNOAU was established on 1 July 2010 by General Assembly resolution 64/288. The aim of UNOAU is to enhance the partnership between the United Nations and the African Union (AU) in the areas of peace and security, provide coordinated and consistent United Nations advice to the AU on both long-term capacity-building and short-term operational support; and streamline the United Nations presence in Addis Ababa to be more cost-effective and efficient in delivering United Nations assistance to the AU.
3. UNOAU also works closely with United Nations peacekeeping operations and special political missions and supports the United Nations' good offices initiatives in southern and eastern Africa in coordination with the AU and respective sub-regional organizations.
4. UNOAU, under the leadership of the Head of Office and Special Representative of the Secretary-General (SRSG) to the AU, reports to the Secretary-General through the Department of Political Affairs (DPA), while keeping the Departments of Peacekeeping Operations (DPKO) and Field Support (DFS) informed on matters relevant to peacekeeping and field support.
5. As a result of a Civilian Staffing Review conducted in 2015, the General Assembly approved the restructuring of UNOAU with effect from 1 January 2017, in its resolution 71/270. As at 31 August 2017, UNOAU had 56 approved staff positions (31 international staff, 8 field service staff and 17 national staff) based in Addis Ababa, Ethiopia. Total expenditure for the financial years ended 30 June 2016 and 2017 was \$6.1 million and \$6.7 million, respectively.
6. Comments provided by UNOAU are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the adequacy and effectiveness of the management of UNOAU substantive and support functions.
8. This audit was included in the 2017 risk-based work plan of OIOS due to the operational importance of the UNOAU in the context of the United Nations' partnership with the AU.
9. OIOS conducted this audit from September 2017 to February 2018. The audit covered the period from 1 July 2015 to 30 December 2017. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in UNOAU, which included: planning and monitoring of mandated activities; adequacy of United Nations Headquarters backstopping arrangements; and management of public information, administrative, safety and security, and information and communications technology (ICT) functions.
10. The audit methodology included: (a) interviews of key personnel; (b) reviews of relevant documentation relating to the management of financial resources, safety and security, human resources, property management, and the planning and monitoring of mandated activities; (c) analytical reviews of

data, including those related to procurement and recruitment; and (d) sample tests of key internal control activities.

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

III. AUDIT RESULTS

A. Planning and monitoring of mandated activities

UNOAU adequately planned its core activities

12. The regulations and rules governing programme planning, the programme aspects of the budget, the monitoring of implementation and the methods of evaluation (ST/SGB/2016/6) require programme managers to translate objectives into programmes and work plans, specifying the responsibilities and tasks of those who are to implement them.

13. Following its annual retreat in September 2016, UNOAU established key priorities for 2017 as documented in a report entitled “Report and Recommendations - Office Retreat and Partner Consultations”. The priorities included the need to strengthen: (i) relations between the United Nations Security Council (UNSC) and African Union Peace and Security Council (AUPSC); (ii) conflict prevention and post-conflict reconstruction and development; and (iii) mediation capacity. These priorities are aligned with its mandate to enhance the partnership between the United Nations and the African Union in the areas of peace and security.

14. The work plans for fiscal years 2015/16 and 2016/17 were developed in consultation with the respective section chiefs. They were based on the respective year’s expected accomplishments in the results-based budgeting (RBB) framework which support the Office’s mandates. For example, to achieve the 2016/17 expected accomplishment of “enhanced strategic coherence and improved reporting between the UN Security Council, the General Assembly, other intergovernmental bodies and troop contributing countries and the African Union”, the work plan included activities such as monthly meetings of representatives of the UNSC and AUPSC to coordinate programmes, annual consultative meetings of the UNSC and the AUPSC and weekly briefings to the AUPSC. The work plans also included indicators of achievement as documented in the RBB framework and the SRSG compact, UNOAU key activities as well as the means of verifying such activities. They also specified the lead section and timeframe for conducting various activities. The work plans for 2015/16 and 2016/17 were communicated to the respective units and sections by the Chief of Staff. Interviews with UNOAU staff and management indicated that they were aware of the UNOAU work plan as well as those of their units and/or sections.

15. Based on the above, OIOS concluded that UNOAU had adequately planned its core activities, which were aligned with its mandate.

Work plan monitoring and self-evaluation mechanisms were not established

16. The regulations and rules governing programme planning, the programme aspects of the budget, the monitoring of implementation and the methods of evaluation (ST/SGB/2016/6) require the head of office to establish internal procedures to monitor implementation of the programme of work and to conduct periodic self-evaluation of the effectiveness and impact of sub-programmes.

17. UNOAU did not implement procedures to monitor the execution of its work plan or to systematically maintain documentation to substantiate implemented activities. OIOS review of 12 out of approximately 200 outputs (means of verifications for key activities) for the 2015/16 and 2016/17 work plans indicated that two of them (an administrative directive and coordination matrix) were not completed in 2015/16 and there was inadequate evidence of persons who had participated in 18 trainings/workshops and four regional capability assessments of African Standby Forces reported for 2016/17. UNOAU had also not implemented formal self-evaluation mechanisms to assess the impact/effectiveness of its activities or procedures to obtain formal feedback from its main stakeholder, the AU.

18. UNOAU stated that gaps in work plan monitoring and self-evaluation were due to inadequate capacity. UNOAU also explained that its close formal and informal consultations with the AU gave the AU an opportunity to provide feedback on an ongoing basis. Interviews with AU officials indicated that the work of UNOAU was appreciated. However, in the absence of formal self-evaluation including structured feedback procedures, UNOAU was not in a position to assess the achievement of its overall objective.

19. UNOAU also stated that a Planning Officer had joined the Office in February 2017 but was assisting the Chief of Staff with Office coordination, development of the 2017/18 work plan and organization of inputs to the RBB process. The Planning Officer is expected to fully assume responsibility for formal and periodic monitoring of the work plan.

(1) UNOAU should develop and implement systematic work plan monitoring and self-evaluation procedures, which should include documentation of evidence to substantiate the implementation of programme activities.

UNOAU accepted recommendation 1 and stated that UNOAU continued to take concrete steps to ensure an adequate portfolio of evidence is maintained on work plan development and implementation. Consultations during a recent retreat will also serve as a basis for the development of the UNOAU 2018/19 work plan and quarterly self-evaluation exercises to be carried out primarily at the section level and subsequently at UNOAU level. Work plan implementation, however, remained contingent on the availability and the capacity of the AU to engage in joint undertakings. Recommendation 1 remains open pending receipt of the procedures established to systematically monitor the work plan and conduct self-evaluations, and evidence of their implementation.

There was a need to implement an adequate management framework for UNOAU extrabudgetary funded projects

20. UNOAU is currently implementing two extrabudgetary funded projects. The Government of Luxembourg provided approximately \$258,000 to be used from 25 October 2013 to 31 December 2015 to operationalize the African Peace and Security Architecture. The Norwegian government provided approximately \$840,000 in support for the United Nations - African Union partnership, to be implemented between April 2017 and December 2019. UNOAU needed to develop appropriate arrangements for timely implementation of these projects.

21. UNOAU conducted various activities under the Luxembourg funded project. However, as at November 2017, there remained an unspent balance of \$144,212 (or 55 per cent). UNOAU explained that it was unable to execute all the planned activities within the projected timeline, often due to changing priorities of the AU, with which most of the activities were to be undertaken. However, OIOS noted that the partial implementation was also because UNOAU had not established adequate monitoring arrangements, and taken timely action to respond to changes in priorities and project progress. While the initial project period ended in 2015, it was only in October 2016 that UNOAU developed a plan to use the

remaining funds. Also, in a memo to the Government of Luxembourg dated 25 April 2017, UNOAU proposed to adjust the project outputs and activities, and extend access to the funding through June 2018. However, this proposal was yet to be approved.

22. Implementation of the Norwegian project was also delayed. There was not yet a formally approved work plan although the audit noted a few informal documents entitled ‘2017-2018 work plan UNOAU – AU Commission Norwegian programme’, and another entitled, ‘2017 work plan’. UNOAU explained that while the agreement was signed in April 2017, the funding was only made available to UNOAU in September 2017.

23. Formally approved project work plans detailing specific activities in support of the project objectives needed to be developed and monitored to ensure timely project implementation. UNOAU also needed to take into consideration the implication of the delayed commencement of project activities, and consider appropriate changes to the activities and timelines.

(2) UNOAU should implement a project management framework to guide the implementation of extrabudgetary funded projects and ensure effective and timely completion of project activities.

UNOAU accepted recommendation 2 and stated that UNOAU had set up work processes to optimize the implementation of extrabudgetary funded projects. It had also agreed to explore the setting up of a project management unit to be tasked to work on projects proposals, draft relevant materials to raise/mobilize extrabudgetary funds, provide expertise on the negotiation of extrabudgetary funds/grants and monitor the implementation of projects supported by extrabudgetary funds through the issuance of periodic reports. Recommendation 2 remains open pending receipt of the extrabudgetary funded project management framework.

B. United Nations Headquarters backstopping arrangements

UNOAU needed to articulate its backstopping requirements

24. According to the biennium 2010-2011 proposed programme budget for UNOAU (A/64/762), all technical backstopping for UNOAU on peacekeeping support and on political and mediation issues will be performed by DPA, DPKO and DFS respectively. UNOAU backstopping requirements include: strategic guidance on policy issues; advocacy; provision of surge capacity; protocol support; coordination; and technical and logistical support.

25. The 2015 Civilian Staffing Review concluded that different interests and demands from the backstopping departments, DPA, DPKO and DFS, often created confusion, miscommunication and added unnecessary layers of bureaucracy between United Nations Headquarters and UNOAU while hampering the timely provision of strategic guidance and advice. It proposed a few specific measures to reinforce backstopping arrangements, which included: complementing the existing support team with additional capacities from the DFS/Operations Support Team, DPKO/Office of Military Affairs and DPKO/Office of Rule of Law and Security Institutions that engaged regularly with UNOAU; regular meeting of backstopping teams – weekly for the Core Team, and monthly for the wider UNOAU Support Team; and preparation of terms of reference on a framework for enhanced engagement with UNOAU to clarify roles and responsibilities of both United Nations Headquarters and UNOAU in their engagements.

26. While the backstopping support team explained that the measures had been largely implemented, OIOS was of the view that they had not yet been fully implemented. The backstopping support team,

currently comprised six staff members, who did not meet regularly as envisaged or document their meetings. In addition, the (unsigned) terms of reference dated 13 August 2015 did not clarify roles and responsibilities of both United Nations Headquarters and UNOAU, which could have helped to establish clear agreement on the nature and scope of backstopping needs. For example, UNOAU stated that adequate protocol support was not provided to accord the AU Chairperson and delegation with the recognition and respect that their status warrants at two major meetings on the sidelines of the 2017 General Assembly; however, such support was not stipulated in the terms of reference. UNOAU also indicated that it had not received adequate administrative support from Headquarters, including on requests for surge capacity, either due to budgetary constraints from Headquarters or non-availability of staff. However, OIOS did not note any action by UNOAU to follow up full implementation of the measures proposed by the Civilian Staffing Review.

27. Documentary evidence was also not available to show that UNOAU had further articulated its detailed support requirements, shared them and actively followed up with DPA, DPKO and DFS to agree and implement. Given the increased importance of UNOAU in the context of the Joint United Nations – African Union Framework for Enhanced Partnership in Peace and Security, UNOAU needed to reassess and articulate its detailed backstopping requirements and agree them with the three departments.

(3) UNOAU should articulate its backstopping requirements for DPA, DPKO and DFS to review and implement additional measures, as appropriate.

UNOAU accepted recommendation 3 and stated that its backstopping requirements would benefit from being more clearly articulated at the level of the UNOAU SRSG/Head of Mission with the respective under-secretaries-general of DPA, DPKO and DFS. UNOAU would take also the opportunity of an upcoming assessment of UNOAU to ensure that gaps and challenges in Headquarters backstopping, as well as UNOAU's requirements in support of the UN-AU strategic partnership are better articulated and clearly understood by all. Recommendation 3 remains open pending receipt of the documentation articulating UNOAU's backstopping requirements.

C. Public information

UNOAU recently developed its communication strategy and was implementing key activities

28. The Department of Public Information/DPKO/DFS Policy on strategic communications and public information dated November 2016 requires UNOAU to develop and implement a communication strategy. UNOAU should ensure the impact of its communications is regularly evaluated both quantitatively and qualitatively.

29. UNOAU's public information strategy was prepared with the participation of its senior leadership and substantive components. The strategy, which was aligned with the UNOAU mandate, set communications goals and expected outcomes such as promoting UNOAU mandate and efforts and bringing visibility and advocacy to the daily activities of UNOAU. It also listed audiences to be reached and platforms to be used. UNOAU updated the strategy during the audit to include monitoring and evaluation systems.

30. Additionally, UNOAU drafted a communication strategy, entitled "African Union/United Nations branding, advocacy and promotion of African Union/United Nations partnership, 2017-2019" to support implementation of the United Nations – African Union Joint Framework for Enhanced Partnership in Peace and Security. The draft was shared with the AU Peace and Security Division, for their input in September 2017, and their comments were received in December 2017. The strategy was updated and

implementation of activities of the joint strategy commenced in January 2018. As of May 2018, the strategy was pending formal signatures from AU senior managers.

31. OIOS reviewed the implementation of a few key activities from UNOAU's public information strategy and noted that UNOAU published monthly bulletins, regularly updated the UNOAU website, and disseminated social media posts, including those on AUPSC and UNSC meetings, youth, terrorism, the International Peace Day, etc.

32. Based on the above, OIOS concluded that UNOAU had developed a communication strategy and implemented key activities. However, since the public information strategy had at the time of the audit fieldwork been recently approved, it was too early to assess its effectiveness.

D. Management of administrative functions

Support arrangements with ECA needed to be enhanced

33. General Assembly resolution 71/270, dated 11 January 2017, requested the Secretary-General to take advantage of the co-location of UNOAU and ECA and continue to maximize efficiencies on common administrative support services.

34. ECA provided various support services to UNOAU based on a memorandum of understanding (MOU) dated 1 June 2011. During the audit period, ECA cost recoveries for support services to UNOAU amounted to approximately \$970,000. However, OIOS noted that:

- The MOU with ECA was outdated as it did not include pertinent revisions arising from the co-location of office premises such as charges for facilities management;
- There was no appropriate service level agreement and corresponding performance indicators to articulate and measure the timeliness and quality of services provided by ECA; and
- A rental agreement between the two entities had not been finalized.

35. UNOAU also highlighted examples of unsatisfactory services by ECA, which included: long unresolved water leakages in the building premises; inoperable security card reader systems leading to the Office of the SRSO being secured with a chain and padlock; certain telephone extensions that remained inoperable for extended periods; and mobile telephone services for which the bills had been pending since July 2017. Additionally, UNOAU stated that ECA's delay in issuing purchase orders for fuel and vehicle maintenance had resulted in a budget cut due to underutilization of funds. The ECA Director of Administration, explained that the water leaks were due to a building design issue, which had taken long to repair because the right vendors had not been found locally and international bidding was required.

36. OIOS concluded that the administrative support services provided by ECA to UNOAU needed to be enhanced to ensure value for money.

(4) UNOAU should, in consultation with ECA, update the memorandum of understanding on the provision of administrative support, and supplement it with a service level agreement specifying required timelines and quality of services.

UNOAU accepted recommendation 4 and stated that UNOAU was working on the draft of a new MOU in consultation with ECA. Recommendation 4 remains open pending receipt of the updated MOU.

UNOAU needed to improve acquisition planning

37. The United Nations Procurement Manual requires UNOAU to develop acquisition plans to optimize the purchase of goods and services and avoid last minute requisitions at the end of the budgetary period.

38. UNOAU procured goods and services worth approximately \$827,000 during the audit period. Procurement activities on behalf of UNOAU were conducted by ECA, Procurement Division, and United Nations Global Service Centre in Brindisi totaling \$623,000, \$89,000 and \$6,000, respectively. The remaining \$109,000 were low value acquisitions and purchase orders for consultants and individual contractors directly processed by UNOAU.

39. UNOAU acquisition plans were based on approved budgets but did not indicate the estimated delivery periods as a guide for initiating the procurement process to ensure the timely fulfilment of its operational requirements. As a result, 21 purchase orders, valued at \$145,000 (or 29 per cent of the total purchases of \$498,000 during 2016/17) were created near the end of the financial year in June 2017. The extent of last minute purchases indicated ineffective acquisition planning, and increased the risk of unnecessary purchases.

(5) UNOAU should take steps to strengthen acquisition planning to optimize the purchase of goods and services through timely and competitive procurement.

UNOAU accepted recommendation 5 and stated it was strengthening efforts to carry out effective acquisition planning and requisition tracking to ensure timely and competitive procurement of goods and services. Recommendation 5 remains open pending receipt of evidence of the steps taken to strengthen the acquisition planning process.

E. Safety and security

UNOAU needed to improve compliance with security policies

40. The United Nations Field Security Handbook identifies the country-specific security plan as the primary security management tool. Also, the United Nations Security Policy Manual includes requirements for the composition, roles and responsibilities of the Security Management Team (SMT), including updating and testing the security and contingency plans and premises security risk management,

41. OIOS noted that:

- The SRSG, UNOAU is a member of the SMT in Ethiopia with the Chief of Staff as his alternate. However, a UNOAU representative had only attended one out of the eight SMT meetings whose minutes were reviewed during the audit fieldwork; and



42. UNOAU stated that the broad responsibilities of the SRSG and Chief of Staff demanded frequent ad-hoc travel for meetings with various stakeholders, and contributed to the low attendance of SMT meetings, which normally focused on security matters concerned with United Nations agencies and not very pertinent to UNOAU. [REDACTED]

43. Inadequate UNOAU representation at SMT meetings limited their participation in security management, and may reduce the Office's capacity to respond to security matters in timely manner. [REDACTED]

(6) UNOAU should take steps to increase its active participation in Security Management Team meetings.

UNOAU accepted recommendation 6 and stated that in addition to the Head of Mission and Chief of Staff (Security Focal point #1), a second security focal point was designated to ensure regular participation in SMT meetings on 19 February 2018. All SMT meetings have since been attended by UNOAU with minutes of meetings being shared as warranted. Recommendation 6 remains open pending receipt of evidence of participation in SMT meetings during 2018.

Controls over reimbursements for residential security measures needed to be enhanced

44. The Residential Security Measures (RSM) for Ethiopia include one-time reimbursement to staff for infrastructure improvements, such as the installation of metal bars/grills up to a maximum of \$2,000, and residential security guarding services up to a maximum of \$500 per month, or \$600 per month for female staff living alone and hiring an additional night guard.

45. UNOAU incurred approximately \$240,000 in residential security payments during the audit period. However, UNOAU treated residential security payments as entitlements, and had not established controls to validate the payments against actual costs incurred by staff members. UNOAU explained that this was due to the inadequate security staff capacity to monitor RSM implementation and compliance.

46. A review of the SMT minutes dated 27 February 2017 confirmed that the SMT had acknowledged the limitations of the residential security reimbursement process, and UNOAU indicated that plans were underway to review the related RSM reimbursement procedures and controls. However, UNOAU further advised that the SMT, in August 2017, proposed maintaining the current process of reimbursing RSM-related costs, pending further consultation with stakeholders and United Nations Headquarters. OIOS acknowledges that UNOAU is subject to the decision of the SMT and the Designated Official for security in Ethiopia over this matter. Nevertheless, inadequate validation of residential

security payments presents potential risk of financial loss due to misuse of the expense reimbursement scheme for purposes other than the intended.

(8) UNOAU should, in consultation with Security Management Team in Ethiopia, review the procedures for validating reimbursements of residential security costs.

UNOAU accepted recommendation 8 and stated that it would raise this matter with the Designated Official and the Head of DSS once the current state of emergency in Ethiopia is lifted. Recommendation 8 remains open pending receipt of the results of the review of procedures for validating reimbursements of residential security costs.

F. Information and communications technology

UNOAU complied with ICT security directives

47. The DPKO/DFS Information Security Policy Directive assigned local ICT chiefs the responsibility for information security operations and controls.

48. The audit determined that UNOAU effectively managed its information security operations. UNOAU ICT assets were adequately secured. UNOAU had installed Checkpoint Secure Web Gateway to control access to ICT resources, and ICT officers constantly monitored the network and security performance. UNOAU last tested its crisis management ICT security and disaster recovery plans in December 2017; and plans were underway to establish a common recovery site for United Nations System agencies in Ethiopia. OIOS concluded that UNOAU adequately complied with ICT controls.

IV. ACKNOWLEDGEMENT

49. OIOS wishes to express its appreciation to the management and staff of UNOAU 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 United Nations Office to the African Union

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNOAU should develop and implement systematic work plan monitoring and self-evaluation procedures, which should include documentation of evidence to substantiate the implementation of programme activities	Important	O	Provision of the procedures established to systematically monitor the work plan and conduct self-evaluations, and evidence of their implementation.	31 July 2018
2	UNOAU should implement a project management framework to guide the implementation of extrabudgetary funded projects and ensure effective and timely completion of project activities	Important	O	Provision of the extrabudgetary funded project management framework.	30 September 2018
3	UNOAU should articulate its backstopping requirements for DPA, DPKO and DFS to review and implement additional measures, as appropriate	Important	O	Provision of the documentation articulating UNOAU's backstopping requirements.	31 December 2018
4	UNOAU should, in consultation with ECA, update the memorandum of understanding on the provision of administrative support, and supplement it with a service level agreement specifying required timelines and quality of services	Important	O	Provision of the updated MOU with ECA.	31 December 2018
5	UNOAU should take steps to strengthen acquisition planning to optimize the purchase of goods and services through timely and competitive procurement.	Important	O	Provision of evidence of the steps taken to strengthen the acquisition planning process.	30 September 2018
6	UNOAU should take steps to increase its active participation in Security Management Team meetings.	Important	O	Provision of evidence of participation in SMT meetings during 2018.	30 September 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 UNOAU in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Office to the African Union

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
7	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
8	UNOAU should, in consultation with Security Management Team in Ethiopia, review the procedures for validating reimbursements of residential security costs.	Important	O	Provision of the results of the review of procedures for validating reimbursements of residential security cost.	30 September 2018

APPENDIX I

Management Response



UNOAU

INTEROFFICE MEMORANDUM

Date: 11 June 2018
Ref: UNOAU/005/18

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

From:  Haile Menkerios
Special Representative of the Secretary-General to the African Union,
Head of UNOAU

Subject: Response on Audit of UNOAU (Assignment No. AP2017/517/01)

1. Reference to your Interoffice Memo ref. OIOS-2018-00832 dated 18 May 2018 on draft report on an audit of the United Nations Office to the African Union (Assignment No. AP2017/517/01).
2. We have reviewed the above-mentioned report and would like to submit our responses along with the action plan with target dates and titles of the responsible individual for further monitoring. We have included our justifications on accepting the risks.
3. Thank you for your assistance in this Audit process.

cc: Ms. Nathalie Ndongo-Sch, Chief of Staff, UNOAU
Ms. Kyoko Shiotani, Chief, Office of the Under-Secretary-General, DPA
Mr. Henri Fourie, Chief, Audit Response Unit, DPKO/DFS
Mr. Byung-Kun Min, Chief, Peacekeeping Headquarters Audit Section, IAD, OIOS
Ms. Cynthia Avena-Castillo, Professional Practices Section, IAD, OIOS
Mr. Francis Mumbey-Wafula, Administrative Officer, UNOAU

Management Response

Audit of the United Nations Office to the African Union

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNOAU should develop and implement systematic work plan monitoring and self-evaluation procedures, which should include documentation of evidence to substantiate the implementation of programme activities.	Important	Yes	Chief of Staff	31 July 2018	<p>Concrete steps continue to be taken to ensure an adequate portfolio of evidence for workplan development and implementation. Relevant documents are being saved on COSMOS, with the update of existing thematic folders to be completed by the end of July 2018.</p> <p>The 10 April 2018 UNOAU retreat represented an opportunity to appraise UNOAU's work and relationship with the AU Commission in terms of achievements, challenges and lessons learned. The consultations in the retreat will also serve as a basis for the development of UNOAU 2018/2019 workplan and quarterly self-evaluation exercises to be carried out primarily at the sections level and subsequently at UNOAU's level.</p> <p>It should however be reminded that workplan implementation remains contingent on the availability and the capacity of the AU to engage in joint undertakings. Continued efforts have been geared towards operationalizing burden sharing between the two Organizations.</p>

⁵ 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.

⁶ 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 the United Nations Office to the African Union

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
2	UNOAU should implement a project management framework to guide the implementation of extrabudgetary funded projects and ensure effective and timely completion of project activities.	Important	Yes	Chief of Staff	30 September 2018	<p>UNOAU has set up work processes to optimize the implementation of extrabudgetary funded projects. Approving/certifying functions pertaining to the disbursement of the Norwegian Fund have been transferred from DPA to UNOAU, which – combined with enhanced reporting on activities - allows for improved monitoring and evaluation. Extrabudgetary funds supported the strategic priority “Expanding partnerships with Member States and regional organisations” by facilitating (i) the participation of UNOAU in the AU High Level Seminar on Peace and Security in Livingstone, Zambia; (ii) the participation of the International Crisis Group in the 11th UN-AU Consultative Meeting on Prevention and Management of Conflicts (Desk-to-Desk); (iii) meeting on genocide prevention and the responsibility to protect; (iv) support to good offices efforts by UN and AU Special Envoys for the financing of AMISOM.</p> <p>The Luxembourg Fund is better utilized, including through recent activities related to the operationalization of the African Standby Force, transfer of expertise and capacity building towards enhanced operational coherence in peace support operations. It will also cover the costs associated with the SSR forum in October.</p>

Management Response

Audit of the United Nations Office to the African Union

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						In the 10 April 2018 UNOAU retreat, UNOAU agreed to explore ways to set up a project management unit tasked to work on projects proposals, draft relevant materials to raise/mobilize extrabudgetary funds, provide expertise to the negotiation of extrabudgetary funds/grants and monitor the implementation of projects supported by extrabudgetary funds through the issuance of periodic reports.
3	UNOAU should articulate its backstopping requirements for DPA, DPKO and DFS to review and implement additional measures, as appropriate.	Important	Yes	Chief of Staff	31 December 2018	Bi-monthly VTCs along with daily telephone conferences and electronic communications with the UNHQ backstopping team serve as a series of platforms for a constructive exchange on support requirements and enable a coordinated and coherent approach to the evolving nature and scope of requests in the framework of the UN-AU partnership. However, UNOAU agrees that its backstopping requirements would benefit from being more clearly articulated at the level of the UNOAU SRSG/Head of Mission with USG DPA, USG DPKO and USG DFS; and will also take the opportunity of UNOAU assessment pursuant to UNSCR 2320(2016) to ensure that gaps and challenges in UNHQ backstopping, as well as UNOAU's requirements in support of the UN-AU strategic partnership are better articulated and clearly understood by all.
4	UNOAU should, in consultation with ECA, update the memorandum of	Important	Yes	Chief Administrative Officer	31 December 2018	UNOAU is working on the draft of the new memorandum of understanding in

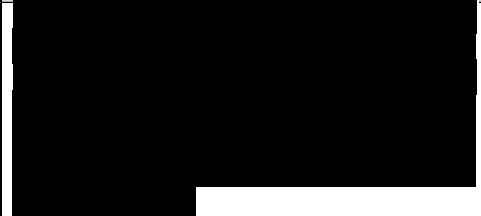
Management Response

Audit of the United Nations Office to the African Union

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	understanding on the provision of administrative support, and supplement it with a service level agreement specifying required timelines and quality of services.					consultation with ECA to have an updated MOU in place in the third quarter of 2018.
5	UNOAU should take steps to strengthen acquisition planning to optimize the purchase of goods and services through timely and competitive procurement.	Important	Yes	Chief Administrative Officer	30 September 2018	<p>Acquisition planning are completed timely and through a competitive procurement process; but delays in procurement of goods and services are attributed to lack of sufficient funds in system contracts managed by HQ and procurement process supported by ECA.</p> <p>UNOAU is implementing necessary steps to strengthen efforts to carry out effective acquisition planning and status of requisition tracking system to ensure timely and competitive procurement process of goods and services.</p>
6	UNOAU should take steps to increase its active participation in Security Management Team meetings.	Important	Yes	Chief of Staff	30 September 2018	In addition to the Head of Mission (main SMT member), and UNOAU COS (Security Focal point #1), a Security Focal Point #2 was designated to ensure regular UNOAU participation in SMT meetings as of 19 February. All SMT meetings have since been attended by UNOAU with minutes of meetings being shared as warranted.
7	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Management Response

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Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						
8	UNOAU should, in consultation with Security Management Team in Ethiopia, review the procedures for validating reimbursements of residential security costs.	Important	Yes	Chief of Staff Chief Administrative Officer	30 September 2018	UNOAU leadership has submitted to OIOS all supporting materials that demonstrate that (a) the SMT and the DO for security in Ethiopia have a final say over this matter on behalf of all UN AFPs and other UN presences in Ethiopia; (b) the matter had been raised in the SMT in 2017 and a decision had been made to maintain the <i>status quo</i> (re. no changes to the existing procedures for validating reimbursements of residential security costs). As Ethiopia is once again under a state of emergency and it would be unreasonable to raise any issue perceived as affecting (even remotely/merely) staff residential security arrangements, UNOAU agrees to raise this matter with the DO for security and the Head of UNDSS once the state of emergency would have been lifted.