



INTERNAL AUDIT DIVISION

REPORT 2019/074

Audit of liquidation preparedness in the United Nations Mission for Justice Support in Haiti

**The Mission needed to further improve the
liquidation preparedness process and
allocate resources to complete liquidation
tasks**

**20 August 2019
Assignment No. AP2019/685/01**

Audit of liquidation preparedness in the United Nations Mission for Justice Support in Haiti

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of liquidation preparedness in the United Nations Mission for Justice Support in Haiti (MINUJUSTH). The objective of the audit was to assess the adequacy and effectiveness of the process in place to prepare for the upcoming liquidation of the Mission. The audit covered the period from 16 October 2017 to 30 June 2019 and included liquidation planning, transition of programmatic activities to the United Nations Country Team, drawdown of staff, disposal of assets, camp closure and environmental clean-up, termination of procurement activities, closure of financial accounts, and destruction and/or transfer of records.

MINUJUSTH prepared a Mission closure plan and undertook liquidation preparedness activities such as: arrangements for drawdown of staff; closure of camps; termination of service contracts; and destruction and/or transfer of records to reduce work during its liquidation. However, MINUJUSTH needed to further improve the liquidation preparedness process and allocate resources to complete liquidation tasks.

OIOS made four recommendations. To address issues identified in the audit, MINUJUSTH needed to:

- Prepare a realistic liquidation budget based on the detailed Mission closure plan;
- Expedite the process for disposal of assets;
- Allocate the required resources to safely dispose of hazardous and non-hazardous waste stored at the Mission's property disposal yard; and
- Improve its monitoring of implementing partners to settle outstanding advances prior to the end of the liquidation period.

Following suitable action taken by MINUJUSTH, two recommendations have been closed. MINUJUSTH has initiated action to implement the remaining recommendations.

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Audit of liquidation preparedness in the United Nations Mission for Justice Support in Haiti

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of liquidation preparedness in the United Nations Mission for Justice Support in Haiti (MINUJUSTH).
2. MINUJUSTH was established by Security Council resolution 2350 (2017) on 13 April 2017. The mandate horizon of MINUJUSTH was expected to be two years ending in October 2019. Accordingly, the Security Council, by resolution 2466 (2019), authorized the withdrawal of all personnel of MINUJUSTH by 15 October 2019. The liquidation period will be from 16 October to 31 December 2019.
3. The Transition Programming Task Force is responsible to coordinate consultations between MINUJUSTH substantive sections and the United Nations Country Team (UNCT) to prepare a transition document, which included a plan to transfer residual substantive activities. The efforts on mission closure are co-led by the Chief of Mission Support and Chief of Staff who are also co-chairs of the Mission Closure Working Group. The Property Management Unit is responsible for writing off and disposing of assets in collaboration with the respective technical teams. The Finance Section is responsible for establishing effective and efficient financial and accounting systems and for managing the Mission's accounts including review and analysis of financial data, collection and settlements of accounts receivable and payable, accounting and reporting. The Information Management Unit (IMU) is responsible for implementing records management standards, including the United Nations Archives and Records Management Toolkit and the Peacekeeping and Political Operations Retention Schedule. Overall, liquidation activities are guided by the erstwhile Department of Field Support Liquidation Manual. As of 30 June 2019, the Mission was in the process of restructuring the mission support component by establishing separate teams focusing on mandate implementation, closure and liquidation, as well as the start-up of the new special political mission to succeed MINUJUSTH.
4. The MINUJUSTH budget for 2018/19 totaled \$121 million and it provided for the deployment of 295 United Nations police officers, 980 formed police units personnel, 167 international staff, 190 national staff, 14 United Nations Volunteers and 38 Government-provided personnel.
5. Comments provided by MINUJUSTH are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess the adequacy and effectiveness of the process in place to prepare for the upcoming liquidation of the Mission.
7. This audit was included in the 2019 risk-based work plan of OIOS due to the scheduled drawdown and closure of MINUJUSTH and related financial and reputational risks to the Organization.
8. OIOS conducted this audit from February to July 2019. The audit covered the period from 16 October 2017 to 30 June 2019. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in all aspects of MINUJUSTH liquidation, which included: liquidation planning, transition of programmatic activities to UNCT, disposal of assets, drawdown of staff, camp closure and environmental clean-up, termination of procurement activities, closure of financial accounts, destruction and transfer of records. The audit did not cover procedures for gifting and commercial sales of Mission

assets and inventory holdings at the Mission's Centralized Warehousing and Distribution Unit. OIOS will review these activities as part of the audit of asset disposal and camp closure, which is scheduled to begin during the third quarter of 2019.

9. The audit methodology included: (a) interviews of key personnel (b) reviews of relevant documentation, (c) analytical reviews of data, (d) sample testing of 16 service contracts using a random and judgmental sampling approach and (e) physical inspection of records and archives.

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

III. AUDIT RESULTS

A. Liquidation planning

While the Mission prepared a closure plan, it also needed a detailed and realistic budget for the liquidation process

11. The Mission Closure Working Group developed a closure plan in coordination with the Mission's substantive, police and support components that took into account the recommendations made by the two teams from Brindisi and New York deployed to assess and support the Mission's liquidation preparedness. The plan was submitted to the Department of Operational Support (DOS) on 29 March 2019. This resulted in an agreed methodology for the downsizing and closure of the Mission.

12. The closure plan outlined key activities related to the liquidation process and the Chief of Mission Support regularly updated the plan to satisfy most of the requirements of the Liquidation Manual such as: (i) a complete listing of liquidation tasks along with responsible parties and associated timelines; (ii) the establishment of a liquidation team that met weekly to discuss closure/liquidation related activities and provide an update on the status of major milestones; and (iii) identification of the risks associated with specific activities and the related risk mitigation strategies. The implementation of the closure plan was coordinated through weekly video teleconference meetings between MINUJUSTH, DOS, and the United Nations Global Support Centre (UNGSC) in Brindisi.

13. However, as the resolution to close the Mission was adopted on 12 April 2019, MINUJUSTH proposed programme budget for the six months period from 1 July to 31 December 2019 did not include a reserve to meet potential liquidation costs based on an approved plan. The Mission intends to implement the six-month budget in two components, a 3.5 month-budget to implement the MINUJUSTH mandate (up to 15 October 2019) and a 2.5 month-budget for liquidation activities (from 15 October to 31 December 2019). The Advisory Committee on Administrative and Budgetary Questions in its report on the financing arrangements for the period from 1 July to 31 December 2019 also requested further explanation and justification regarding the Mission liquidation activities. In the absence of a detailed liquidation budget the Mission may not have adequate justification and resources to fund all the drawdown and liquidation activities of the Mission.

(1) MINUJUSTH should prepare a realistic liquidation budget based on the detailed closure plan to cover the drawdown and liquidation activities of the Mission.

MINUJUSTH accepted recommendation 1 and stated that the approved budget for 1 July to 31 December 2019 included sufficient resources to complete mandated and liquidation activities; therefore, a separate liquidation budget was redundant. During the liquidation period, the Mission

will redeploy funds from one area to the other to cover the cost of any liquidation activities, as necessary. Based on the action and documentation provided, recommendation 1 has been closed.

B. Drawdown of staff

Arrangements were in place for drawdown of staff

14. From December 2018 to February 2019, in anticipation of its liquidation, MINUJUSTH drafted a transition document, which included a plan to transfer residual substantive activities to the UNCT. The plan was the result of extensive consultations between MINUJUSTH substantive sections and the UNCT through its Transition Programming Task Force. At the time of the audit, the transition document was serving as a basis to carry out broader consultations with the host government, implementing partners, civil society organizations as well as private sector companies. MINUJUSTH plans to update the transition document and prepare an implementation plan based on the role of the United Nations' Integrated Office in Haiti as approved by the Security Council resolution 2476 (2019).

15. Pursuant to the Security Council resolution 2466 (2019), MINUJUSTH stopped recruitment for non-critical staff positions. The Mission also developed a drawdown plan for all civilian staff and police officers from 30 June to 15 October 2019. The plan was developed using a function-based approach with critical and non-critical functions defined in coordination with section/unit chiefs. It was structured in three main drawdown phases, namely 30 June, 31 August and 15 October. However, given the current staffing structure in MINUJUSTH, which reflects a light footprint, most of the civilian staff will remain in the Mission until 15 October 2019.

16. To communicate proposed plans and share information on the drawdown process, the SRSO organized two town hall meetings with staff on 13 March and 23 April 2019 to communicate and share information on the drawdown process. MINUJUSTH had included in its closure plan the necessary activities related to the issuance of termination notice to the staff in compliance with the United Nations Staff Rules. Moreover, MINUJUSTH had determined the skills required throughout the drawdown phase and it was coordinating with its counterparts at United Nations Headquarters to fill critical staffing gaps through flexible contractual arrangements including temporary duty assignments and temporary appointments.

17. MINUJUSTH implemented a training and capacity-building plan for its staff in line with its two-year exit strategy. The plan included courses on language and communication, managerial and leadership skills, information technology, competency-based interviewing skills, writing skills, career coaching and transition courses. During the audit period, MINUJUSTH provided training to 170 staff (33 international, 74 national, 61 individual police officers and 2 United Nations Volunteers). Also, in March 2019, MINUJUSTH issued a memorandum encouraging all international staff members who were on the roster to upload their records including, performance evaluations and personal history profiles into the COSMOS recruitment platform to be considered for lateral assignments to other missions. As a result, 26 out of 118 eligible international staff were either reassigned or seconded to other missions.

18. MINUJUSTH Senior Leadership together with the Human Resources Unit worked closely on advocating with the Government of Haiti, members of the UNCT, donor organizations, and members of the diplomatic community in Haiti to give due consideration to MINUJUSTH personnel in future employment opportunities. Mission leadership also encouraged staff to participate in job fairs which were held. For example, MINUJUSTH held a job fair on 20 June 2019 at which 11 prospective employers participated and 102 staff attended. OIOS therefore concluded that adequate arrangements were in place to help facilitate staff find future employment after the closure of the Mission.

C. Disposal of assets

Need to expedite the process for disposal of assets

19. MINUJUSTH established a Gifting Committee on 22 March 2019, chaired by the Chief of Staff. The Committee met three times between March and May 2019 to review requests for gifting from government entities and ensured they were approved by the Head of Mission, who had received the delegation of authority from the Secretary-General to approve such requests. Cannibalized/scrapped assets were divided into metal and electronic scrap items and disposed of through a contract with the scrap contractor. The Mission also revised the Local Property Survey Board (LPSB) composition and aligned it with the Gifting Working Group to ensure a more efficient assets disposal process during the liquidation of MINUJUSTH.

20. Although the Mission developed a preliminary Asset Disposal Plan (ADP) in collaboration with UNGSC in March 2019; the timely disposal of assets remained a significant risk as the ADP was finalized by the Mission and approved by the UNGSC only on 28 June 2019. The Mission had 12,538 asset records in Galileo having an acquisition value of \$78.3 million; however, only 8,002 asset records were successfully migrated to Umoja. The Mission had yet to finalize the cleansing of its Umoja database and to complete the physical verification of 1,040 assets. At the time of audit, the Mission had included in the ADP 1,935 assets having an acquisition value of \$9.0 million under Group I (transfer to other missions or United Nations reserve), one asset having an acquisition value of \$21,412 under Group II (transfer to United Nations entities funded from assessed contributions) and 5,525 assets having an acquisition value of \$42.9 million under Group IV (commercial/scrap sale or gifting). As indicated in its June 2019 progress report, MINUJUSTH had written off or initiated for write-off and disposal 42 per cent of the 12,538 assets having an acquisition value of \$23.9 million and needed to initiate action for the remaining 58 per cent (7,310 assets) of the assets, having an acquisition value of \$54.4 million. These items were still in use with the respective technical units and included those which were included in Group I of the ADP.

21. The delay in developing the ADP was because the Property Management Unit was not adequately staffed and only two of its staff had been dedicated to conducting physical verification, write-off and disposal of assets. To accelerate the process, the Mission established a Closure Working Group to address the four work streams as per the Mission closure plan, including disposal of assets. The Closure Working Group held weekly meetings with DOS and UNGSC to follow up on the implementation of the closure plan. The Mission also invited four asset disposal experts from UNGSC to support and expedite the asset disposal process. Nevertheless, the Mission was still at a risk of not being able to dispose its asset holdings in a timely manner and in compliance with established guidelines, which may limit proceeds that could be generated from commercial sales, increase the risk of theft of assets, increase security costs and protract the liquidation process.

(2) MINUJUSTH should expedite the assets disposal process by finalizing the cleansing of its Umoja database and completing the physical verification and write-off of the remaining assets.

MINUJUSTH accepted recommendation 2 and stated that specialists had been deployed to support the Mission to expedite the cleansing of the Umoja database and the overall asset disposal process. Physical Verification of assets on 30 June 2019 was reported to be in full compliance with United Nations Headquarters key performance indicator thresholds. Recommendation 2 remains open pending receipt of reports confirming completion of the cleansing of Umoja asset records, physical verification of MINUJUSTH assets and the write-off of remaining assets.

D. Camp closure and environmental clean-up

Waste management and disposal procedures were not adequate

22. At inception, MINUJUSTH inherited 10 camps and 20 co-location sites from the United Nations Stabilization Mission in Haiti. During the audit period, MINUJUSTH closed seven of the camps for which the land was leased from private owners and five co-location sites, leaving three camps and 15 co-location sites open, including the Log base. At the time of the audit, handing-over of one closed camp was delayed, as the Mission had difficulty in establishing contact with the landlord. However, the Mission assessed that this delay did not impact the overall camp closure plan.

23. A review of documents related to the six camps closed indicated that MINUJUSTH staff had in each case, in accordance with the Liquidation Manual:

- Attended the site inspections and landowners were either present or represented. The inspections of the premises were comprehensive and resulted in agreement on handover timelines and identification of actions to be completed prior to the successful closure of the camps;
- Undertaken environmental clean-up and obtained an environmental clearance certificate for each vacated site for which these certificates were signed by the respective owners. A duly authorized representative signed all certificates on behalf of the Mission; and
- Obtained signed an agreement from each landowner clearing the United Nations from future claims for restoration works.

24. The Property Disposal Unit disposed of contingents' waste and issued disposal vouchers for the collection of hazardous and non-hazardous waste to be disposed of by United Nations selected contractors. However, OIOS visit to the Mission's disposal yard on 13 March 2019 observed the presence of large amounts of hazardous and non-hazardous waste that were still pending disposal. For example, MINUJUSTH had not disposed of:

- Expired pharmaceuticals and medical waste ash deposits, which will require encapsulation prior to landfill;
- Waste military kits such as flak jackets, helmets, knee and elbow pads and Kevlar protective plates;
- A total of 61 culverts full of medical waste and other hazardous waste;
- Oil filters, solvents, lead acid batteries and other electronic waste;
- Large quantities of unidentified chemicals that needed to be treated on site prior to disposal;
- Spent fluorescent lamps and other waste stored in an open area without roofing; and
- A diverse range of broken equipment, scrap and furniture.

25. To address this, the Mission established various contracts for the disposal of hazardous waste (i.e., used oil, scrap metal, used tires, septic tank waste, electronic scrap and used lead acid batteries). For example, as at the end of the audit, one contractor had already collected 460,012 kilograms of scrap metal. Additionally, the Environmental Compliance Unit had inspected the dump sites as part of the regular inspections to confirm that the contractor for collection of septic tank waste was always using the government approved dumping sites. However, due to inadequate storage facilities, MINUJUSTH did not undertake on an ongoing basis an inventory of the hazardous and non-hazardous waste stored at the property disposal yard to accurately measure the workload and allocate the required resources to the Environmental Compliance and Property Disposal Units to safely dispose of the waste.

(3) MINUJUSTH should allocate the required resources to the Environmental Compliance and Property Disposal Units to enable them to safely dispose of the hazardous and non-hazardous waste stored at the Mission's property disposal yard.

MINUJUSTH accepted recommendation 3 and stated that it had allocated \$63,800 to pay for services related to the safe and environmentally compliant disposal of hazardous waste and contracts were in place for the safe and environmentally compliant disposal of non-hazardous waste. Based on the action and documentation provided recommendation 3 has been closed.

E. Termination of procurement activities

Arrangements were in place for the termination of service contracts

26. The United Nations Procurement Manual and the Liquidation Manual require that a formal termination notice be provided to all commercial contractors. MINUJUSTH had 58 active contracts related to goods and services provided by third parties. Most of the current contracts were annual and expected to expire in 2019 and/or be renewed as necessary. Also, MINUJUSTH had included the necessary activities related to the issuance of the termination notices for the service contracts in its closure plan. A review of all payments associated with 16 service contracts indicated that they were made in accordance with the terms of the contract. The MINUJUSTH Procurement Unit had also procured the required restoration services, including the rental of heavy equipment to carry out any repairs or refurbishment of sites as necessary. OIOS concluded that appropriate arrangements were in place for the termination of the service contracts.

F. Closure of financial accounts

Need to actively engage implementing partners to settle outstanding advances

27. The Field Finance Procedure Guidelines require prompt collection and settlement of accounts receivable and payable balances through regular follow-up with entities and individuals. The Liquidation Manual requires MINUJUSTH to: (i) recover and clear any outstanding accounts receivable and take into consideration all pending matters before making any final payment; and (ii) maintain adequate evidence of transactions and follow-up and investigate all accounts receivable and payable older than three months.

(a) Accounts receivable

28. As of 30 April 2019, MINUJUSTH had \$5.3 million in accounts receivable. Of this amount, \$4.2 million or 79 per cent were advances to partners to implement mandated rule of law activities and community violence reduction projects. A total of \$2.2 million of these advances were overdue and the implementing partners had not yet submitted the required narrative and financial reports to the Mission due to inadequate monitoring and coordination by the Finance Unit and the substantive components.

29. The accounts receivable balance also included travel advances totaling \$742,507, which would be settled on an ongoing basis through the housekeeping module in Umoja. To avoid a recovery of travel advances, staff members were required to submit expense reports within 14 days after returning from an official trip.

30. The Mission's inability to settle these advances within the required timeframe increased the risk of financial loss to the Organization.

(b) Accounts payable

31. As of 30 April 2019, MINUJUSTH had \$205,986 in accounts payable to staff and vendors. Of this amount, \$74,904 or 36 per cent had been outstanding for over three months. This was mainly due to lack of timely follow-up by the Finance staff and inadequate monitoring with the prolonged absence of the Chief Finance Officer. With the upcoming closure of MINUJUSTH, the Mission was making progress in resolving long outstanding payables and, between 14 and 30 April 2019, had cleared past due accounts payable totaling \$24,000. The Finance Section was expecting to clear the remaining open items by 15 August 2019. Therefore, OIOS did not make a recommendation and concluded that MINUJUSTH was effectively cleansing and settling its accounts payable.

(4) MINUJUSTH should improve its monitoring of implementing partners and require them to submit narrative and financial reports in a timely manner to enable the Mission to clear related accounts receivable balances prior to the end of the liquidation period.

MINUJUSTH accepted recommendation 4 and stated that it had put in place several measures to ensure that account receivables related to ongoing projects are cleared. These include more frequent reviews of projects relating to the joint rule of law programme by the Senior Leadership Committee to ensure timely reporting and enhanced monitoring by staff in the Community Violence Reduction Unit. Recommendation 4 remains open pending receipt of evidence of clearance of advances to implementing partners.

G. Destruction and transfer of records

Arrangements were in place for destruction and transfer of records

32. The IMU is responsible for the implementation of the Mission's records management programme. The Mission established the IMU with the arrival of the P-3 level Chief IMU in October 2018. A review of MINUJUSTH records management programme planning and implementation activities showed that the Mission's programme was compliant with relevant United Nations requirements including the Peacekeeping and Political Operations Retention Schedule and its accompanying handbook. For example, IMU had:

- Developed an adequate records management and archiving plan for the Mission;
- Trained focal points on records management and the archiving process on 31 May 2019. As a result, the relevant sections/units were effectively coordinating their archiving and record management activities with IMU;
- Properly assessed records management practices of sections that create or maintain records with sensitive content (e.g., human resources, procurement and rule of law);
- Maintained adequate records of what had been destroyed. The destruction of records was performed in-house by individual contractors. IMU has so far destroyed more than 3,000 boxes with a plan to finalize the destruction of remaining files by first week of August 2019; and
- Invited a team from the Archives and Records Management Section in DOS, which assessed that the volume of records to be transferred to United Nations Headquarters was not significant. At the time of audit, the Mission had identified approximately 900 boxes (including 500 United Nations Police vetting records) to be transferred.

33. OIOS concluded that appropriate arrangements were in place for destruction and transfer of records.

IV. ACKNOWLEDGEMENT

34. OIOS wishes to express its appreciation to the management and staff of MINUJUSTH for the assistance and cooperation extended to the auditors during this assignment.

Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of liquidation preparedness in the United Nations Mission for Justice Support in Haiti

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	MINUJUSTH should prepare a realistic liquidation budget based on the detailed closure plan to cover the drawdown and liquidation activities of the Mission.	Important	C	Action completed	Implemented
2	MINUJUSTH should expedite the assets disposal process by finalizing the cleansing of its Umoja database and completing the physical verification and write-off of the remaining assets.	Important	O	Receipt of reports confirming completion of the cleansing of Umoja asset records, physical verification of assets and the write-off of remaining assets.	31 October 2019
3	MINUJUSTH should allocate the required resources to the Environmental Compliance and Property Disposal Units to enable them to safely dispose of the hazardous and non-hazardous waste stored at the Mission's property disposal yard.	Important	C	Action completed	Implemented
4	MINUJUSTH should improve its monitoring of implementing partners and require them to submit narrative and financial reports in a timely manner to enable the Mission to clear related accounts receivable balances prior to the end of the liquidation period.	Important	O	Receipt of evidence of clearance of advances made to implementing partners	15 October 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 MINUJUSTH in response to recommendations.

APPENDIX I

Management Response




MINUJUSTH

INTEROFFICE MEMORANDUM

MEMORANDUM INTERNE

Port-au-Prince, 9 August 2019
SRS/19/OM/025

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

From: Helen La Lime, SRS/ MINUJUSTH 

Subject: **Response to reissuance of draft report on an audit of liquidation preparedness in the United Nations Mission for Justice Support in Haiti (Assignment N. AP2019/685/01)**

1. This memo responds to the reissuance of the draft report on an audit of liquidation preparedness in the United Nations Mission for Justice Support in Haiti (Assignment N. AP2019/685/01), transmitted through OIOS-2019-685-09 of 2 August 2019.
2. MINUJUSTH would like to express its appreciation to your team for considering the concerns and facts shared in our response memo (SRS/19/OM/017) of 24 June. We are very grateful that you took into consideration additional material provided to reflect our efforts on the preparedness for the liquidation.
3. We regret that there was no audit undertaken on the transition from MINUSTAH to MINUJUSTH, whose recommendations could have enabled us to be better prepared for liquidation of MINUJUSTH. The Mission therefore welcomes the recommendations of this audit which, we believe, will greatly facilitate an enhanced approach towards closure and liquidation.
4. We would like to draw your attention to the MINUJUSTH budget proposal for 1 July to 31 December 2019, which was reviewed by ACABQ and Fifth Committee, including being presented to the General Assembly. You will note that the budget approved by the General Assembly includes sufficient resources to complete mandate and liquidation activities. Therefore, the preparation of a separate liquidation budget or revision of the 19/20 budget becomes redundant. In this context, please refer to A/73/748 of 15 February 2019, A/C.5/73/L.46 of 3 July 2019, 20 HSA/1920-AA 02; 20 HSA/1920-STA 01 of 12 July 2019 (attached). While, during the liquidation period, the Mission shall redeploy funds from one area to the other to

cover the cost of any liquidation activities, as necessary, there is no risk of funding for liquidation activities. We would therefore like to request that Recommendation 1 be closed.

5. Appendix I (attached) states our actions thus far for inclusion in the client comments section.

6. Finally, we reiterate our sincere appreciation for your and your team's work and look forward to a fruitful cooperation on the other ongoing audits before MINUJUSTH closes on 15 October.

Cc: Mamadou Diallo, DSRSG/RC/HC, MINUJUSTH
Frank Levasseur, Chief Mission Support, MINUJUSTH
Anton Antchev, Liquidation Coordinator, MINUJUSTH
Daniela Kroslak, Chief of Staff, MINUJUSTH
Miguel Aju, Audit Focal Point, MINUJUSTH
Deepak Goel, Chief, Resident Audit Office in MINUJUSTH, Internal Audit Division, OIOS
Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS

Management Response

Audit of liquidation preparedness in the United Nations Mission for Justice Support in Haiti

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MINUJUSTH should prepare a realistic liquidation budget based on the detailed closure plan to cover the drawdown and liquidation activities of the Mission.	Important	Yes	Liquidation Coordinator	Completed	<p>The MINUJUSTH budget proposal for 1 July to 31 December 2019, was reviewed by ACABQ and Fifth Committee, including being presented to the General Assembly. The budget approved by the General Assembly includes sufficient resources to complete mandate and liquidation activities. Therefore, the preparation of a separate liquidation budget or revision of the 19/20 budget becomes redundant. In this context, please refer to A/73/748 of 15 February 2019, A/C.5/73/L.46 of 3 July 2019, 20 HSA/1920-AA 02; 20 HSA/1920-STA 01 of 12 July 2019 (attached).</p> <p>While, during the liquidation period, the Mission shall redeploy funds from one area to the other to cover the cost of any liquidation activities, as necessary, there is no risk of funding for liquidation activities. We would therefore like to request that Recommendation 1 be closed.</p>

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

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

Management Response

Audit of liquidation preparedness in the United Nations Mission for Justice Support in Haiti

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
2	MINUJUSTH should expedite the assets disposal process by finalizing the cleansing of its Umoja database and completing the physical verification and write-off of the remaining assets.	Important	Yes	Officer in Charge Supply Chain Management	20 May 2019	UMOJA specialists have deployed to MINUJUSTH since 20 May 2019 to expedite cleansing of UMOJA database. Physical Verification of assets on 30 June 2019 was reported to be in full compliance with UNHQ key performance indicator thresholds as follows: Effectiveness of Physical Accountability of P&E (99.93%), Reconciliation of Not Found P&E (0.40%), Effectiveness of Physical Accountability of Equipment (98.81%). Overall asset disposal process has been expedited and further supported by a restricting of the Mission Support activities on 22 July 2019 to allow dedicated specialists and processes to focus on disposal activities.
3	MINUJUSTH should allocate the required resources to the Environmental Compliance and Property Disposal Units to enable them to safely dispose of the hazardous and non-hazardous waste stored at the Mission's property disposal yard.	Important	Yes	Officer in Charge Supply Chain Management	02 August 2019	US \$63,800 have been allocated from Engineering cost center to pay for services related to safe and environmental compliant disposal of hazardous waste. Commercial income generating contracts are already in-place for the safe and environmentally compliant disposal of non-hazardous waste.
4	MINUJUSTH should improve its monitoring of implementing partners and require them to submit narrative and	Important	Yes	Special Assistant to DSRSG	Joint Rule of law programme: Immediate or at	Joint rule of law programme: The reporting requirements are stated in the MoUs and amendments signed

Management Response

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	financial reports in a timely manner to enable the Mission to clear related accounts receivable balances prior to the end of the liquidation period.			(Joint Rule of Law) Chief, Community Violence Reduction (CVR)	latest by 15 August 2019 CVR programme: 15 October 2019	with MINUJUSTH. They are submitted as requested via the Senior Leadership Committee (SLC) on joint rule of law programme. During the remaining months of MINUJUSTH, the SLC will meet frequently to review the implementation progress and make recommendation on the reporting requirements, in a timely manner. In addition, the amended MOUs have been tailored to take into account the feasibility of the activities that have not been implemented yet. All activities that would require strict monitoring mechanisms beyond MINUJUSTH cycle have been canceled following consultations with all stakeholders. Funds are not going to be used will be returned to the designated account. CVR programme: The CVR Unit has assigned resources from its existing staffing to enhance its monitoring capacity of projects expected to be completed by 30 September. Also, considering the political and security operating environment, customized and dynamic monitoring approaches have been applied to ensure that

Management Response

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						account receivables related to ongoing projects are cleared by 15 October. These approaches which are based on the two key dimensions of project type/complexity and location, allow for consistent and proactive engagement with implementing partners to identify and address issues that could potentially impact on project deliverables and completion.