



INTERNAL AUDIT DIVISION

REPORT 2018/051

Audit of the financial and other administrative aspects of the liquidation of the United Nations Stabilization Mission in Haiti

The United Nations Mission for Justice Support in Haiti needed to recover outstanding accounts receivable balances, settle vendor-related issues and dispose of records of the United Nations Stabilization Mission in Haiti

29 May 2018
Assignment No. AP2017/683/11

Audit of the financial and other administrative aspects of the liquidation of the United Nations Stabilization Mission in Haiti

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the financial and other administrative aspects of the liquidation of the United Nations Stabilization Mission in Haiti (MINUSTAH). The objective of the audit was to determine whether the United Nations Mission for Justice Support in Haiti (MINUJUSTH) established and implemented controls to effectively manage MINUSTAH activities related to finance, procurement, records management and archiving during the liquidation period.

The audit covered the period from 13 April 2017 to 31 January 2018. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the financial and other administrative aspects of MINUSTAH liquidation, which included: liquidation planning; accounts receivable and payable; deposits and disbursements; outstanding obligations; commercial or third-party claims; termination of procurement activities; archiving and records management.

MINUJUSTH allocated resources and was implementing the MINUSTAH Camps Consolidation Plan. It also needed to recover outstanding MINUSTAH accounts receivable balances, settle vendor-related issues and dispose of MINUSTAH records.

OIOS made six recommendations. To address issues identified in the audit, the Mission needed to:

- Develop an action plan for collecting MINUSTAH accounts receivable from other United Nations entities and request guidance and approval from the Controller's Office for write-off of balances deemed irrecoverable;
- Explore opportunities for recovering the outstanding accounts receivable from separated staff and request approval from the Controller to write off balances that are deemed irrecoverable;
- Review the management of the welfare and recreation funds during the drawdown and liquidation period and report to the Department of Field Support any failure by former MINUSTAH staff to maintain high standards of probity and conduct in the management of these funds;
- Review withheld payments from vendors and either release the funds or retain them as income for the Mission;
- Release performance bonds after verifying that the respective vendors have met their contractual obligations; and
- Transfer the remaining inactive records of MINUSTAH to the Mission's record centre and ship MINUSTAH archives to the Archive and Records Management Section at United Nations Headquarters.

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

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Audit of the financial and other administrative aspects of the liquidation of the United Nations Stabilization Mission in Haiti

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the financial and other administrative aspects of the liquidation of the United Nations Stabilization Mission in Haiti (MINUSTAH).
2. MINUSTAH was established by Security Council resolution 1542 on 30 April 2004 and deployed on 1 June 2004. The Security Council, by resolution 2350 (2017), authorized withdrawal of all military personnel of MINUSTAH by 15 October 2017. The Security Council decided to establish the United Nations Mission for Justice Support in Haiti (MINUJUSTH) as a follow-on peacekeeping mission, which is authorized to retain 7 former police units reduced from MINUSTAH's 11.
3. The MINUJUSTH Chief of Mission Support is responsible for overseeing the preparation and execution of MINUSTAH's liquidation plan including all outstanding and unfinished administrative tasks. The Finance Section is responsible for establishing effective and efficient financial and accounting systems and for managing MINUSTAH's accounts receivable and payable including review and analysis, collection and settlements, accounting and reporting. The Procurement Section was responsible for terminating procurement activities and amending procurement contracts to account for the requirements of MINUJUSTH. The Records Management Unit is responsible for implementing records management standards by using a set of guidelines and procedures, including the United Nations Archives and Records Management Toolkit and the Peacekeeping and Political Operations Retention Schedule (PORS).
4. Comments provided by MINUJUSTH are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

5. The objective of the audit was to determine whether MINUJUSTH established and implemented controls to effectively manage MINUSTAH activities related to finance, procurement, records management and archiving during the liquidation period.
6. This audit was included in the 2017 risk-based work plan of OIOS due to scheduled drawdown and closure of MINUSTAH and related financial and reputational risks to the Organization.
7. OIOS conducted this audit from December 2017 to February 2018. The audit covered the period from 13 April 2017 to 31 January 2018. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the financial and other administrative aspects of MINUSTAH liquidation, which included: liquidation planning; accounts receivable and payable; deposits and disbursements; outstanding obligations; commercial or third-party claims; termination of procurement activities; archiving and records management.
8. The audit methodology included: (a) interviews of key personnel, (b) reviews of relevant documentation, (c) analytical reviews of data, (d) sample testing of disbursements using a random and judgmental sampling approach, and (e) physical inspection of records and archives.
9. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Liquidation planning

MINUJUSTH took action to allocate resources and intensify efforts to complete and finalize the liquidation of MINUSTAH

10. In a facsimile dated 10 May 2017, the Under-Secretary-General for Field Support required MINUJUSTH to carry out the liquidation activities of MINUSTAH from 16 October through 31 December 2017 under a single support structure. In the facsimile dated 5 October 2017, the Under Secretary-General for Field Support approved the retention of 51 posts against MINUSTAH funding for tasks related to the liquidation. The Department of Peacekeeping Operations and Department of Field Support (DPKO/DFS) Liquidation Manual requires the Mission to: (i) identify all outstanding or unfinished tasks for the liquidation; and (ii) quantify those tasks and schedule their completion in order of priority.

11. Since its establishment on 16 October 2017, MINUJUSTH had assumed the responsibility to complete all pending activities relating to the liquidation of MINUSTAH, which included the consolidation of camps in Port-au-Prince and the processing of invoices, claims and staff entitlements. MINUJUSTH had also identified all outstanding administrative tasks of MINUSTAH liquidation and prepared a Camps Consolidation Plan. However, the liquidation of MINUSTAH was not completed on 31 December 2017. For example, as of 31 January 2018, MINUJUSTH had not:

- Established a procurement strategy for awarding contracts for construction works and dismantling of facilities in order to implement the Camps Consolidation Plan;
- Initiated action to engage six staff members on a temporary basis and 105 individual contractors (ICs) for a period of four months to supervise or perform construction works and movement activities related to the consolidation of camps;
- Recruited two human resources assistants to process the separation of 30 staff members in Umoja and to respond to queries on final salary, pension payments and other entitlements from staff members;
- Made all efforts to settle a claim of \$385,319 received from a landlord for lost and damaged equipment. The Mission was disputing the claim so the landlord threatened to take legal action;
- Completed the processing of over 1,600 finance related transactions including bank reconciliations, accounts receivable, accounts payable, advances to staff members and Military and various open items posted in clearing accounts; and
- Handled over 2,300 boxes of records transferred by sections/units to the Mission's Records Management Unit. The Unit comprised one international staff member at the P-3 level who arrived in the Mission on 15 January 2018.

12. The above occurred because MINUJUSTH did not have sufficient financial resources to complete these outstanding tasks. A liquidation budget was not established for MINUSTAH since MINUJUSTH was responsible for the field liquidation activities, especially in the areas of asset disposal, financial closures and human resources. However, MINUJUSTH's structure and budget did not have provisions to cover costs related to the consolidation of camps, restoration of premises, separation of personnel, packing of assets or

records and the related shipping charges. The General Assembly, by its resolution 71/302 of 30 June 2017, authorized the Secretary-General to enter into commitments for MINUSTAH for a total amount not exceeding \$90 million for the period from 1 July to 31 December 2017. MINUJUSTH stated it would first utilize about \$4 million remaining in the MINUSTAH budget and the recoveries of accounts receivable from United Nations agencies, funds and programmes to complete the liquidation of MINUSTAH, and then seek additional resources from the Controller's Office, if required.

13. Subsequent to the audit, MINUJUSTH developed an action plan with clear timelines and allocated resources to complete the activities in the areas of camps consolidation, financial closures and human resources. Based on the action taken by MINUJUSTH, no recommendation is made on this issue.

B. Financial aspects of the liquidation

Long outstanding accounts receivable with United Nations entities needed to be resolved

14. The Field Finance Procedure Guidelines require prompt collection and settlement of accounts receivable balances through regular follow-up with entities and individuals. The Liquidation Manual requires the Finance Section to: (i) maintain adequate evidence of transactions; (ii) follow up and investigate all accounts receivable older than three months; and (iii) intensify recovery and write-off efforts during the field liquidation period.

15. MINUSTAH had memoranda of understanding with several United Nations agencies, funds and programmes for services provided to them. On a monthly basis, MINUSTAH self-accounting units, in conjunction with the Finance Office in Port-au-Prince, were required to prepare invoices for reimbursement by the various entities. However, MINUSTAH did not prepare invoices and systematically follow up with 12 out of 13 United Nations entities. As a result, the accounts receivable balances with these United Nations agencies continued to grow, reaching \$2.2 million by 15 October 2017. Forty per cent of the balance had been outstanding for over four years. Furthermore, the accounts receivable balances were not reconciled on a periodic basis since there was a discrepancy of \$149,292 between the general ledger and the subsidiary ledger accounts. MINUJUSTH management indicated that it had held discussions with the relevant entities and provided them with additional information in an attempt to collect the amounts due; however, this had been a challenge due to incomplete records maintained by the MINUSTAH self-accounting units, and the passage of time.

16. The above was due to inadequate monitoring and coordination between self-accounting units and the Finance Section. MINUJUSTH had also not intensified its efforts by developing an action plan for collecting MINUSTAH accounts receivable. This increased the risk of financial loss to the Organization due to the Mission's inability to settle these accounts receivable during the liquidation period.

(1) MINUJUSTH should develop an action plan for collecting MINUSTAH accounts receivable balances from other United Nations entities and request guidance and approval from the Controller's Office for write-off of balances deemed irrecoverable.

MINUJUSTH accepted recommendation 1 and stated that it held a series of meetings with a representative of the United Nations agencies, funds and programmes and had recovered over \$1.4 million. If necessary, MINUJUSTH would carry out a case-by-case review of individual accounts receivable balances and seek the assistance of the Controller's Office to either recover the amounts due or write-off balances deemed irrecoverable. Recommendation 1 remains open pending receipt of evidence that MINUJUSTH has recovered MINUSTAH accounts receivable or requested approval from the Controller's Office for write-off of balances deemed irrecoverable.

Advances to staff members were not recovered

17. The Liquidation Manual requires MINUSTAH to establish check-out procedures for departing staff members, recover and clear any outstanding accounts receivable and take into consideration all pending matters before making any final payment and issuing travel documents to a staff member.

18. MINUSTAH used the electronic Field Support Suite to facilitate and document the check-out process of departing staff, including the process to recover and clear any outstanding accounts receivable. However, a review of all 120 advances to staff indicated that the MINUSTAH Finance Section had not recovered advances totaling \$201,818 made to 27 staff members. These included salary advances totaling \$139,412 made to staff during the financial year 2015/16 and education grant advances totaling \$20,483 made to two staff members three weeks before the closure of the Mission.

19. The above occurred due to inadequate monitoring of advances made to staff members, as well as poor decisions by MINUSTAH management to approve education grant advances to separating staff without sufficient safeguards. Also, MINUJUSTH had not yet explored opportunities for recovering the outstanding receivables since the staff members had been separated and are no longer in active service with the United Nations. This could result in financial loss to the Organization if MINUJUSTH is not able to collect the outstanding receivables from the separated staff members. MINUJUSTH stated that it would review the causes for the breakdown of internal controls over the recovery of MINUSTAH accounts receivable balances and report the results in its after-action review of MINUSTAH liquidation in order for DFS to take the necessary action. In the meantime, it had put in place necessary measures to avoid the reoccurrence of the same during the liquidation of MINUJUSTH.

20. The Mission also recovered amounts totaling \$106,830 from staff members but it did not apply these amounts against the staff members' accounts due to incomplete records maintained by the Finance Section. MINUJUSTH stated that it would apply currently unallocated recoveries to partially clear outstanding advances to staff members.

(2) MINUJUSTH should explore opportunities for recovering the outstanding receivables from separated staff members and request approval from the Controller to write off balances that are deemed irrecoverable.

MINUJUSTH accepted recommendation 2 and stated that the liquidation team expected to recover outstanding accounts receivables from separated MINUSTAH staff by 30 June 2018. Thereafter, it would request the approval of the Controller's Office to write-off balances that are deemed irrecoverable. Recommendation 2 remains open pending receipt of evidence that MINUJUSTH has recovered the outstanding receivables from separated MINUSTAH staff members or requested approval from the Controller to write-off balances that are deemed irrecoverable.

MINUJUSTH was taking action to settle outstanding payables to staff and vendors

21. The Field Finance Procedure Guidelines require the Finance Section to continuously review and analyze vendors' accounts and promptly settle them. The Liquidation Manual requires the Finance Section to maintain adequate evidence of transactions and follow up and investigate all payables older than three months.

22. As of 31 January 2018, MINUSTAH had \$569,068 in accounts payable to staff and vendors. Of this amount, \$394,275 or 69 per cent had been outstanding for over six months. This was mainly due to the lack of timely follow-up by the Finance staff to obtain additional documentation to support the amounts payable caused by low staff morale resulting from the upcoming closure of the Mission.

23. The Mission incorrectly recorded in accounts payable 64 accounts receivable items totaling \$1,915,851. These were mostly advances paid to staff and implementing partners. These payments included: (i) an advance given to a United Nations agency totaling \$1,625,192 to implement some Rule of Law activities in support of the MINUSTAH mandate for which the narrative and financial reports had not been received from the agency and thus verified before clearing the advances; (ii) an amount of \$132,150 already paid to a staff member, but due to a technical issue in Umoja was still recorded in accounts payable; and (iii) an advance of \$47,585 related to a quick impact project that was not yet completed.

24. At the time of the audit, the Mission had allocated additional staffing resources to the Finance Section and it was making progress in resolving long outstanding accounts payable and, between 15 October and 31 January 2018, had cleared 2,707 open accounts totaling \$4.2 million. The Chief Finance Officer was expecting to clear the remaining 454 open items by 31 March 2018. Therefore, OIOS did not make a recommendation and concluded that MINUJUSTH was effectively cleansing and settling accounts payable by MINUSTAH.

Need for guidance on the use of welfare funds during the drawdown and liquidation period

25. The DPKO/DFS standard operating procedures on welfare and recreation require missions to establish and utilize welfare funds to improve the living conditions and welfare and recreation facilities for all categories of personnel and ensure that all Mission components benefit from welfare and recreation activities and facilities.

26. A review of transactions in the welfare and recreation account during the period from 13 April to 15 October 2017 indicated that the Welfare and Recreation Committee did not implement welfare and recreation activities to improve the living conditions for all categories of personnel. In fact, the Security Council resolution on the closure of MINUSTAH led to a rush to spend the remaining funds as quickly as possible prior to the end of the Mission. As a result, the Welfare and Recreation Committee:

- Had a dinner event at a local restaurant three days before the end of MINUSTAH. The event was attended by about 200 staff members, mostly national staff. The event costed \$15,290 which was equivalent to \$75 per person. The staff members were given a welcome cocktail, a main course (buffet options) with desserts and two soft drinks. The Welfare Committee did not provide evidence that it had sent requests for quotation to other restaurants;
- Spent \$5,066 from the welfare and recreation funds to cover the costs of a weekend retreat for the 17 members of the National Field Staff Union at a beachfront resort which took place a week before the end of the Mission. The costs included hotel accommodation for two nights, meals and conference facilities;
- Used the welfare and recreation funds to pay for two workshops on managing change for the benefit of national staff at a cost of \$18,970; and
- Organized five staff achievement or “happy hour” celebrations, mostly attended by national staff at cost of \$41,848.

27. The above occurred because the Organization did not provide guidance to missions on the use of welfare and recreation funds during the drawdown and liquidation period. Therefore, the above activities did not improve the living conditions and welfare and recreation facilities for all categories of personnel including military and police contingents. MINUJUSTH stated that it would coordinate with DFS through its after-action review of MINUSTAH liquidation to ensure that guidance on the use of welfare and

recreation funds during the drawdown and liquidation period is included in the revised version of the Liquidation Manual. As at 31 December 2017, the balance in the welfare and recreation account totaled \$18,601 and the amounts mostly came from the activities of the duty-free shop generated from a mark-up on goods sold to contingent personnel and international staff members. MINUJUSTH stated that it would utilize the remaining balance for the welfare and recreation activities of MINUJUSTH staff.

(3) MINUJUSTH should review the management of the welfare and recreation funds during the drawdown and liquidation period and report to DFS any failure by MINUSTAH staff members to maintain high standards of probity and conduct in the management of these funds to ensure non-occurrence of such activities in future liquidations.

MINUJUSTH accepted recommendation 3 and stated that the Human Resources Section was compiling its findings and would produce a report that would explain what happened. Recommendation 3 remains open pending receipt of the report on the management of the welfare and recreation funds during the drawdown and liquidation period.

C. Termination of procurement activities

Need to review withheld payments and release performance bonds of vendors

28. The United Nations Procurement Manual and the Liquidation Manual provide guidance on the closure of contracts and the termination of procurement activities. Both require that a formal termination notice be provided to all contractors. The Liquidation Manual requires MINUJUSTH to investigate deposits, withheld payments or performance bonds of vendors who had performed contractual services with the Mission and either release the funds or retain them as income for the Mission.

29. By 15 October 2017, MINUSTAH had closed three service contracts and transferred 50 contracts to MINUJUSTH. The MINUSTAH Liquidation Team had also sent termination notices to the respective vendors. However, a review of 21 of the contracts transferred to MINUJUSTH indicated that six contract files did not include an amendment to change the name from MINUSTAH to MINUJUSTH. These included significant services contracts related to communication and information technology, inland transportation and freight forwarding and security of personnel and premises. Moreover, MINUJUSTH had not yet initiated action to review:

- The withholding of funds totaling \$390,481 belonging to a vendor pending the results of an investigation in connection with allegations of multiple contract violations and fraud. The investigation had since been completed and the Mission was required to review each invoice submitted by the vendor to establish the exact amount of additional and miscellaneous fees billed by the vendor to the Organization; and
- Performance bonds totaling over \$1 million involving 27 vendors who had performed contractual services for MINUSTAH. During the procurement process, the Mission required the successful vendor to furnish the performance bonds to guarantee satisfactory completion of the service by the vendor. The amounts varied depending on the nature of the requirements.

30. The above occurred because the completion of these administrative tasks required coordination with all the relevant offices including the self-accounting units, Procurement and Finance sections and these were not considered as a priority during the drawdown and liquidation of MINUSTAH. Also, the members of the Liquidation Team were not able to devote their full attention to the liquidation activities since they were also working on the establishment of MINUJUSTH.

31. As a result, there was a risk that the Mission may record current invoices received from vendors for MINUJUSTH activities with associated payments being charged to the MINUSTAH budget. For example, OIOS review of a sample of payments totaling \$589,765 indicated that the Finance Section had recorded MINUJUSTH payments of \$10,000 against the MINUSTAH budget. Subsequent to the audit, MINUJUSTH had amended all contracts carried over from MINUSTAH to reflect the change in Mission name. However, the inability to timely review withheld payments may expose the Organization to possible claims from the vendor. Also, the Mission may decrease the vendor's ability to obtain further performance bonds if the release of the bonds is improperly withheld or substantially delayed.

(4) MINUJUSTH should review withheld payments and either release the funds or retain them as income for the Mission.

MINUJUSTH accepted recommendation 4 and stated that it was reconciling the vendor's account and would review the withheld payments after resolving invoicing discrepancies. Recommendation 4 remains open pending receipt of evidence of the disposition of the withheld vendor payments.

(5) MINUJUSTH should release the performance bonds after verifying that the respective vendors have met their contractual obligations.

MINUJUSTH accepted recommendation 5 and stated that it would release the performance bonds during the close-out of contracts. Recommendation 5 remains open pending receipt of evidence that MINUJUSTH has released the performance bonds after verifying that the respective vendors have met their contractual obligations.

D. Archiving and records management

Inactive records needed to be transferred to MINUJUSTH's record centre

32. The United Nations Archive and Records Management Toolkit and PORS require sections/units to implement adequate controls over the transfer of records to MINUJUSTH's record centre and use a file classification scheme to guide the classification, codification, retention and disposition of MINUSTAH's records.

33. During the audit period, various sections/units including the Special Representative of the Secretary-General, Military and Police components, Procurement, Movement Control and Human Resources transferred 1,069 boxes to MINUJUSTH's record centre. OIOS review of documentation related to these transfers indicated that they were properly approved and the relevant sections/units had utilized the standard forms provided by the Records Management Unit to request the transfer of their records. The Records Management Unit had also prepared a comprehensive matrix to facilitate the identification and retrieval of transferred records. A review of the records classification scheme and codification of 50 out of 1,200 boxes that were awaiting shipment to the Archive and Records Management Section (ARMS) at Headquarters indicated that the Records Management Unit was complying with the Toolkit and PORS guidelines.

34. However, at the end of the liquidation period, OIOS found 54 boxes and 216 folders abandoned in the Finance, Engineering and Claims offices. The documents comprised purchase requests, payments vouchers, third party claims, project files, recruitment of individual contractors and various correspondence. This occurred because MINUSTAH staff members did not prioritize the completion of this activity prior to their departure and the designated focal points who were trained on records management had left the Mission before the end of the liquidation period. As a result, there was a risk that records may be lost or damaged.

(6) MINUJUSTH should take steps to ensure the transfer of the remaining inactive records of MINUSTAH to the Mission's record centre and the shipment of MINUSTAH archives to the Archive and Records Management Section at United Nations Headquarters.

MINUJUSTH accepted recommendation 6 and stated that it was working on MINUSTAH's archives in the areas of finance, human resources, procurement, medical and some substantive sections. The archives would be transferred to ARMS after the liquidation and transition period. Recommendation 6 remains open pending receipt of evidence of the transfer of the remaining MINUSTAH inactive records to MINUJUSTH's record centre and its archives to ARMS.

Controls over the destruction of records could be strengthened

35. The United Nations Archives and Records Management Toolkit requires MINUJUSTH to restrict entry to record rooms to authorized personnel; take measures to prevent deterioration and destruction of documents by fire, flood or any other disaster; organize and store records in a manner that allows timely retrieval and maintain proper environmental conditions and temperature for records. The Toolkit also requires destruction of records to be appropriate and documented and authorized by ARMS and the concerned sections/units.

36. OIOS visits to the Mission's records centre indicated that it was adequately safeguarded to prevent unauthorized access. The archiving offices were securely locked and only two Records Management Unit assistants had access to the keys. All boxes containing records were neatly stored with identifying labels and codes. The boxes were also protected from rain water with a proper roof, and ground water by shelves on which the boxes were properly arranged. They were also protected against moisture with the air conditioning unit operating on a 24-hour basis. The records could be retrieved at short notice due to the proper arrangement, labelling and codification of the boxes.

37. MINUSTAH had entered into a contract with a vendor to collect records from the Mission's records centre upon request and transport them to the contractor's site for destruction. By 31 December 2017, the Records Management Unit had handed 1,854 boxes of records to the vendor to be destroyed. OIOS review indicated that the Records Management Unit adequately notified the sections/units who owned the records that were identified for destruction and obtained approval from them and ARMS prior to destruction. Also, OIOS site visit at the contractor's warehouse indicated that the boxes were shredded using a large commercial shredder and the Records Management Unit adequately coordinated with the vendor to dispose of the unwanted records in a safe and environmentally friendly manner. Even though the destruction of records at the contractor's site was witnessed by records management staff, there was still a risk that sensitive records may be mishandled by the contractor's personnel, lost or exposed to public view. At the time of the audit, MINUJUSTH was considering the purchase of a commercial shredder to ensure that records are destroyed in-house in a secure and controlled manner. Therefore, no recommendation was made on this issue.

IV. ACKNOWLEDGEMENT

38. OIOS wishes to express its appreciation to the management and staff of MINUSTAH and MINUJUSTH 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 financial and other administrative aspects of the liquidation of the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	MINUJUSTH should develop an action plan for collecting MINUSTAH accounts receivable balances from other United Nations entities and request guidance and approval from the Controller's Office for write-off of balances deemed irrecoverable.	Important	O	Submission of evidence that MINUJUSTH has recovered MINUSTAH accounts receivable or requested approval from the Controller's Office for write-off of balances deemed irrecoverable.	30 October 2018
2	MINUJUSTH should explore opportunities for recovering the outstanding receivables from separated staff members and request approval from the Controller to write off balances that are deemed irrecoverable.	Important	O	Submission of evidence that MINUJUSTH has recovered the outstanding receivables from separated staff members or requested approval from the Controller to write-off balances that are deemed irrecoverable.	30 June 2018
3	MINUJUSTH should review the management of the welfare and recreation funds during the drawdown and liquidation period and report to DFS any failure by MINUSTAH staff members to maintain high standards of probity and conduct in the management of these funds to ensure non-occurrence of such activities in future liquidations.	Important	O	Submission of the report on the management of the welfare and recreation funds during the drawdown and liquidation period.	30 June 2018
4	MINUJUSTH should review withheld payments and either release the funds or retain them as income for the Mission.	Important	O	Submission of evidence of the disposition of withheld vendor payments.	30 October 2018
5	MINUJUSTH should release the performance bonds after verifying that the respective vendors have met their contractual obligations.	Important	O	Submission of evidence that MINUJUSTH has released the performance bonds after verifying that the respective vendors have met their contractual obligations.	30 October 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 MINUJUSTH in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the financial and other administrative aspects of the liquidation of the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
6	MINUJUSTH should take steps to ensure the transfer of the remaining inactive records of MINUSTAH to the Mission's record centre and the shipment of MINUSTAH archives to the Archive and Records Management Section at United Nations Headquarters.	Important	O	Submission of evidence of the transfer of the remaining MINUSTAH inactive records to MINUJUSTH's record centre and its archives to ARMS.	30 July 2018

APPENDIX I

Management Response

Management Response

Audit of the financial and other administrative aspects of the liquidation of the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MINUJUSTH should develop an action plan for collecting MINUSTAH accounts receivable balances from other United Nations entities and request guidance and approval from the Controller's Office for write-off of balances deemed irrecoverable.	Important	Yes	Chief, Budget and Finance	Until final payment is received	The collection process of outstanding accounts receivables from the UN agencies, funds, and programs (UNAFPs) is ongoing and it is an integral part of the liquidation activities. A series of meetings have been held between MSD and UNDP who represent all the UNAFPs to resolve the outstanding accounts receivables. Until now, over 1.4 million USD has already been recovered. If necessary, MSD will carry out a case-by-case review based on meetings with individual UNAFPs and seek approval from the controller either for UNHQ's intervention to recover the owed funds or for write-off of the irrecoverable amounts.
2	MINUJUSTH should explore opportunities for recovering the outstanding receivables from separated staff members and request approval from the Controller to write off balances that are deemed irrecoverable.	Important	Yes	Chief, Budget and Finance	30 June 2018	The recovery process of the outstanding accounts receivables from separated MINUSTAH staff is in progress and the liquidation team is working diligently towards this. We expect to complete this task by the 30 June 2018. Thereafter, irrecoverable accounts receivables that are beyond Mission delegation will be submitted to the Controller for write-offs.

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 the financial and other administrative aspects of the liquidation of the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3	MINUJUSTH should review the management of the welfare and recreation funds during the drawdown and liquidation period and report to DFS any failure by MINUSTAH staff members to maintain high standards of probity and conduct in the management of these funds.	Important	Yes	Chief, Budget and Finance/CHRO	30 June 2018	MINUJUSTH has kept proper record of the staff welfare funds since its inception. The balance of MINUSTAH staff welfare funds that needed to help the welfare activities carried out during the period of liquidation was transferred to the MINUJUSTH staff welfare funds. The Human Resources Section is compiling its findings and will produce a report that will explain what happened.
4	MINUJUSTH should review withheld payments and either release the funds or retain them as income for the Mission.	Important	Yes	Chief, Budget and Finance/CPO	30 October 2018	This is in reference to Dumonde Travel Agency; payment reconciliation is pending resolution of the discrepancies in the invoicing.
5	MINUJUSTH should release the performance bonds after verifying that the respective vendors have met their contractual obligations.	Important	Yes	Chief, Budget and Finance/CPO	Variable Dates depending on each contract	This will be implemented during the close out of Contracts, as applicable to performance bonds that are still valid. That said, by transferring contracts from MINUSTAH to MINUJUSTH, the mission is also aligning over all remaining contractual obligations.
6	MINUSJUSTH should take steps to ensure the transfer of the remaining inactive records of MINUSTAH to the Mission's record centre and the shipment of MINUSTAH archives to the Archive and Records Management Section at United Nations Headquarters.	Important	Yes	Chief CHRO, CBFO, CPO,CMO and O/COS in collaboration with ARMS UNHQ	30 July 2018	At present, MINUJUSTH is working on MINUSTAH's archives in order to complete the liquidation tasks. This is the case in particular for Finance, Human Resources, Procurement, Medical and to a certain extent for some of the Substantive Sections. Once the liquidation and the transition period is over, full MINUSTAH archives will be transfer to ARMS/UNHQ.