

TO: Ms. Eleanor Burns, Peacekeeping Audit Service,
A: Internal Audit Division, OIOS

DATE: 18 January 2012

REF. **IAD 12-00036**

CC:

FROM: Karina Gerlach 
DE: Chief of Office, OUSG DPA
SUBJECT: **Audit of United Nations Integrated Peacebuilding Office in Sierra Leone - UNIPSIL (Assignment no. AP2011/560/02)**
OBJET:

1. Further to the comments by UNIPSIL on the OIOS Audit Report and the recent e-mail exchange between DPA and your office on recommendation 21 in particular, we would like to suggest that the recommendation should read as follows:

Rec. 21: UNIPSIL, with the assistance of the Departments of Political Affairs and Field Support, should review the staffing arrangements in UNIPSIL with the aim to develop optimal staffing requirements and mitigate risks of lack of accountability due to a number of core functions carried out by non-United Nations personnel.

2. DPA believes the above text correctly reflects the situation and required actions. It also differs only slightly from the original OIOS draft.
3. Thank you.

/end.

Confidential

TO: Ms. Eleanor Burns, Chief,
A: Peacekeeping Audit Service,
Internal Audit Division,
Office of Internal Oversight Services

DATE: 17 November 2011

REFERENCE:

THROUGH:

S/C DE:

FROM: Anthony Banbury, Assistant Secretary-General
DE: for Field Support



SUBJECT: **Draft OIOS report on the audit of the United Integrated Peacebuilding
OBJET: Office in Sierra Leone (UNIPSIL) – Assignment no. AP2011/560/02**

1. I refer to your memorandum dated 14 September 2011 addressed to Mr. Pascoe and copied to me, regarding the above-mentioned audit. Please find below our comments on the findings and recommendations contained in the draft report. In formulating our response, we have conferred with the respective Mission officials and their comments have been incorporated in this response.

Draft report transmittal memorandum

2. We note that the audit focussed mainly on administrative support processes. As a result, its main findings were on human resources management, asset management, fuel management, procurement, financial management and staff safety and security. Therefore, OIOS' assessment that the "Overall results relating to effective management of programmes by UNIPSIL were unsatisfactory" is not in line with the findings contained in the report. We therefore would ask OIOS that the heading of the report, which refers to *effective management of programmes*, should be reworded in the final report to align it with the audit results.

Audit results and overall assessment

3. We note that OIOS has concluded in paragraph 6 of the report that "...substantive activities seemed to be properly managed with a detailed work plan aligned to the Mission mandate and adequate mechanisms to coordinate the political, development and humanitarian activities in the country..." The report fails to provide any substantiated proof that there were weaknesses in the management of programmes by UNIPSIL. We therefore do not concur with OIOS' assessment in the draft report that the risk management, control and governance processes examined were **unsatisfactory** to provide reasonable assurance that UNIPSIL managed its

programmes effectively in compliance with relevant United Nations policies and procedures.

4. Based on our explanation above, we are of the view that OIOS' rating that *effective management of programmes by UNIPSIL were unsatisfactory* is misleading and does not reflect the mission's accomplishments in terms of mandate implementation. We therefore suggest that the paragraphs on audit results and overall assessment should be reworded and aligned to the audit results in the final report.

5. The letters of the Mission dated 26 September 2011 and 11 November 2011 on the draft report addressed to OIOS are attached. Both letters deal directly with the conduct and outcome of the audit.

Recommendations

6. Please refer to our comments on the recommendations in the attached matrix.

7. Thank you for the opportunity to comment on the draft report. We stand ready to provide any further information that may be required.

cc: Mr. Pascoe
Ms. Malcorra
Mr. Von der Schulenburg
Ms. Wong

ANNEX I
SUMMARY OF IMPORTANT RECOMMENDATIONS
Assignment No. AP2011/560/02 - Audit of UNIPSIL

Para. no.	Recommendation	Critical/important	Accepted? (Yes/No)	Responsible individual	Implementation date	Client comments
18	UNIPSIL should ensure that the use of outsourced personnel and related costs are fully disclosed in the budget and performance reports for transparency and management control.	Important (Medium)	YES	Chief of Mission Support, UNIPSIL	31 December 2011	UNIPSIL has been working with support from DFS to develop a staffing structure that is applicable to peacebuilding missions. The Mission in coordination with the Field Finance and Budget Division/DFS is finalizing the 2011/2012 budget proposal regarding the individual contractors based on essential functions required to support the structure of a peacebuilding mission.
21	UNIPSIL, with the assistance of the Departments of Political Affairs and Field Support, should review the staffing arrangements in UNIPSIL with the aim to develop optimal staffing requirements and mitigate risks of lack of accountability and reputation due to the high number of core functions carried out by non-United Nations personnel.	Critical (High)	NO	N/A	N/A	This is not a recommendation that should be addressed to the Mission as currently, there is no template for staffing structure in DPA peacebuilding missions that the Mission can apply in planning its staffing requirements. At the global level, guided by the Secretary-General's Integration Steering Group, new policies are being developed as reaffirmation of integration as a guiding principle in all situations on the ground, where the United Nations has a Country Team and a multi-dimensional peacekeeping operation or political office. This integrated approach to programmatic and operational cooperation and assistance recognizes the full implementation of multi-dimensional mandates and often requires actions and activities beyond the internal components of a field mission. In addition, cooperation between United Nations entities also aims to maximize the separate and joint impact of the United Nations response while also maximizing any benefits for efficient and cost-effective operations. The new policies on the staffing templates for Integrated Mission are expected to be approved in

25	UNIPSIL should conduct a complete physical verification of its assets/inventory to determine and up-date its records accordingly. Once this is done, UNIPSIL should implement procedures to manage and report on its assets.	Important (Medium)	YES	Chief of Mission Support, UNIPSIL	30 January 2012	<p>the beginning of 2012. UNIPSIL will be part of the implementation of the new policies.</p> <p>The Mission is currently updating its inventory records in the Galileo Inventory Management System, including the recording of transfers of equipment from UNAMSIL/UNIOSIL to UNIPSIL. Furthermore, the Mission is implementing the following measures to strengthen its property management:</p> <ul style="list-style-type: none"> • Conducting complete physical verification of non-expendable property. Priority is being given to verifying items that were not verified during the 2010/2011 financial period; • Ensuring that the SAUs reconcile the discrepancies and update the inventory records in a timely manner.
27	UNIPSIL should improve fuel management controls by recording all fuel issues and reconciliations of daily and monthly fuel records with physical fuel inventory balances and investigating any variances thereon.	Important (Medium)	YES	Chief of Mission Support, UNIPSIL	31 December 2011	<p>The Mission has established procedures for fuel management by recording all fuel issues daily, checking the fuel stocks daily and tallying the daily issue sheet with the monthly reports.</p> <p>In addition, the following measures have been put in place to improve reconciliation of the quantity of fuel in stock with the fuel records:</p> <ul style="list-style-type: none"> • Dip-stick reading daily at opening and closing. • Recording the balances and reconciling it with daily/monthly issue sheets; • Issue vouchers submitted daily for checking; and • The amount of fuel issued daily tallied with monthly reports. <p>The Mission will report to DFS on the results of the measures being taken by January 2012.</p>

30	UNIPSIL should ensure that the process of procuring all goods and services is in compliance with the United Nations Procurement Manual and the authority delegated to the Mission.	Important (Medium)	YES	Chief of Mission Support, UNIPSIL	31 December 2011	<p>The Procurement and Finance sections of UNIPSIL are coordinating with the self accounting units/requisitioners to ensure that the procurement of all goods and services are in line with United Nations Procurement Manual and the United Nations Financial Rules and Regulations.</p> <p>DFS will provide guidance to the Mission on the requirements of the Procurement Manual and its use of the delegated authority.</p>
32	UNIPSIL should discontinue the process of giving operational advances to local staff members to fund programme activities and for local procurement, and additional advances should not be given until previous ones have been cleared. Also, long-outstanding receivables and payables should be settled.	Important (Medium)	NO	Chief of Mission Support, UNIPSIL	N/A	<p>UNIPSIL does not agree with the recommendation to discontinue operational advances to local staff. It should be noted that the Mission works under a Memorandum of Understanding signed between DPKO and the Office of High Commissioner for Human Rights (OHCHR) in support of human rights activities in the field. Given the nature of human rights activities which are spread across the country, discontinuing program/advances to the limited National Professional Officers involved in these activities is not an option.</p> <p>UNIPSIL is ensuring that further advances are not given until previous advances are cleared.</p>
34	UNIPSIL should discontinue using petty cash for purchasing goods and services that can be paid for through the bank. Also, UNIPSIL should ensure there are adequate books of account to monitor and record petty cash transactions.	Important (Medium)	YES	Chief of Mission Support, UNIPSIL	31 December 2011	<p>Outstanding payables from United Nations agencies relate to cost sharing contributions (against receivables from the agencies) which are recorded as payables until the amounts are actually received. The Mission had initiated formal processes on the recovery of receivables from other United Nations entities.</p> <p>The Mission has implemented measures to strengthen the management of petty cash. Petty cash records are being reconciled when processing requests for replenishment, periodic surprise cash counts are being carried out and all transactions are covered with vouchers which are sequentially</p>

36	UNIPSIL should enhance controls in petty cash management by: (a) conducting periodic reconciliation of cash and vouchers to petty cash records; (b) using sequentially numbered vouchers to account for each disbursement and maintaining adequate supporting documentation; and (c) ensuring that cash held and vouchers for disbursed amounts do not exceed the authorized imprest level.	Important (Medium)	YES	Chief of Mission Support, UNIPSIL	Implemented	<p>numbered. Furthermore, checks are in place to ensure that cash held and vouchers for disbursed amounts do not exceed the authorized petty cash level.</p> <p>However, due to the prevailing market conditions (unavailability of reliable suppliers and/or limited or sporadic availability of goods/services), it is very difficult to set up over the long term, reliable local vendors for services or procuring various goods like spare parts and information technology accessories. There are often items that have to be procured from vendors, who rely on immediate cash transactions and have no bank accounts.</p> <p>To further improve its operational accountability, and in response to the operational environment, the Mission will set up imprest accounts in line with Section 3.4.2 of the Field Finance Procedures Guidelines for the local purchases of goods and services, particularly for those related to building management, transport, communications and general service activities when costs exceeds the petty cash ceiling.</p> <p>Moreover, DFS shared with the Mission in October 2011, an earlier guidance issued concerning procedures for direct purchases of goods through petty cash.</p>
						Refer to our comments on the recommendation in paragraph 34 above.

46	<p>UNIPSIL should ensure that essential and mandatory security measures are in place and functioning as intended, including security training, Minimum Operating Security Standards and Minimum Operating Residential Security Standards compliance, the security plan and warden system.</p>	Important (Medium)	N/A	DSS/Chief Security Advisor	Implemented	<p>The recommendation had been implemented.</p> <p><u>Country Security Plan to be updated:</u> The Country Security Plan was duly updated in January 2011 and it will be updated in January 2012 according to the UNDSS policy. According to the policy, telephone numbers and contact numbers of UNCT/SMT members are mandatory to be included in the security plan.</p> <p><u>Formal mechanisms for follow-up MORSS inspections:</u> Formal mechanisms have been in place since July 2011 for follow-up inspections to certify the completion of security enhancements by staff.</p> <p><u>Contact Details of Staff Members' Residences:</u> Contact details of staff members' residences have always been available as they are collated/ reviewed after MORSS surveys. The contact details are used for the Warden System and also daily by the United Nations night patrols to the residences.</p> <p><u>MORSS Reimbursement:</u> The previous situation whereby staff could claim MORSS reimbursement without any confirmation from United Nations Security has been addressed. Currently, all claims for MORSS reimbursement are endorsed/certified by United Nations Security prior to payment.</p> <p><u>VHF/HF radios in vehicles:</u> VHF radios for vehicles, mobile or hand held are used in the areas covered by VHF. In towns and between main towns, where mobile phone is reliable, travelling is authorized using mobile phones for emergency contacts. Only vehicles which are identified for travelling to remote areas for missions, which are not covered by VHF or mobile phones are required to have HF radios.</p> <p><u>Training of staff:</u> Security awareness training was organized for all United Nations staff from 6 to 31</p>
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May 2010 of which 40 staff from UNIPSIL out of a total of 268 staff attended. SLS training was also held from 3 to 6 August 2010. Additionally, wardens and security focal points meeting and refresher/update was conducted by CSA/DSA/FSCO in October 2010. On 29 July 2011 UNISSO, as part of the ongoing security training conducted training for UNIPSIL staff on the Country Security Plan and Evacuation, SLS, STA, SMS, basic radio communications, personal and fire safety. In all cases, the training included the field offices in Makeni, Bo, Kenema, Koidu and Magburaka. A warden training was done on 3 July 2009 for agencies wardens in Freetown and from 14 to 18 September 2009 for the wardens in the regional offices. Another wardens training has been programmed in November 2011. Staff members also have a personal responsibility for their security training.

ANNEX II
OPPORTUNITIES FOR IMPROVEMENT
Assignment No. AP2011/560/02 - Audit of UNIPSIL

Para. no.	Recommendation	Client comments
9	UNIPSIL, in order to improve its monitoring of mandate implementation, could consider designating a focal point or unit to assist the ERSG in planning, coordinating and monitoring mandate implementation. The ERSG could also hold periodic meetings to discuss the progress of mandate implementation and to assist in addressing challenges being faced by the programmes.	UNIPSIL does not accept the recommendation as it is based on a fundamental misunderstanding on how UNIPSIL works. Please refer to the memorandum from the ERSG, UNIPSIL to the Chief, Peacekeeping Audit Service, OIOS dated 26 September 2011.
22	UNIPSIL could consider taking action to fill the vacant positions especially for critical functions before the next year elections in Sierra Leone.	The Field Personnel Division of DFS is working with the Mission in filling the vacant posts. Presently, all vacant posts have been filled except six, for which candidates have been identified and are currently under recruitment.
37	UNIPSIL could consider reviewing the authorized imprest levels with the aim of reducing the amounts held by each unit.	Please refer to our comments on the recommendation in paragraph 34 of Annex I.
40	UNIPSIL could improve project management controls through proper recording of performed work (by types/categories of services) and related expenditures to support payments to vendors.	UNIPSIL does not accept the recommendation. The Mission wishes to clarify that the expenditures quoted in the report were provided by various offices in 2009, of which the basis of recognition were different. For example, while the Finance Section recognized expenditure based on the actual cost incurred, the figures provided by the Engineering Section were estimates towards completion of the project. UNIPSIL Finance Section has reconciled the expenditure on renovation of Cabenda premises and an actual cost of \$1,056,333 is recorded in the accounts.
41	UNIPSIL could consider requesting the Government of Sierra Leone for a blanket customs clearance for all goods brought into the country by the Mission to avoid delays in their clearance at the port.	UNIPSIL does not accept the recommendation. It should be noted that custom laws and regulations are established by the Host Country, for which the Mission has an obligation to comply. The blanket custom clearing procedure was established by the Government of Sierra Leone as an exceptional measure after the conflict ended. The policy was discontinued in 2008 and new procedures for revenue collection were implemented which are applicable to all parties including United Nations entities.
49	UNIPSIL could consider establishing a Memorandum of Understanding with a dedicated Air Evacuation Facility for provision of evacuation services out of the country, and with UNMIL for search and rescue missions of the helicopter.	UNIPSIL does not accept the recommendation. There is no need to establish a separate agreement with UNMIL as UNIPSIL operates under the Regional Fleet Utilization Policy implemented by United Nations Headquarters. Under this policy, the Mission has access to all air assets in the region upon phone/fax request to concerned CMS/DMS with information to Headquarters and the Strategic Operation Centre in Brindisi.


UNITED NATIONS NATIONS UNIES
UNITED NATIONS INTEGRATED PEACEBUILDING OFFICE IN SIERRA LEONE

Executive Representative of the Secretary-General

26 September 2011

Dear Ms. Burns,

Preliminary Comments on the Draft Audit Report for UNIPSIL

I have reviewed the draft audit report in detail. Although I welcome the thorough review of administrative processes in our office, I feel that the audit report goes completely astray in assessing the overall substantive political work of UNIPSIL. The audit fails to appreciate that the nature of this new type of integrated UN peacebuilding mission. This has led to fundamental misunderstandings and erroneous conclusions.

Sierra Leone is generally seen as a success story for the UN in having brought peace, stability and development to the country. This applies in particular to this integrated UN peacebuilding mission. We must all be careful not to casually undermine these achievements by a hastily and misinformed OIOS audit. But by the same token, I recognize that also UNIPSIL will have to make special efforts not to jeopardize its good work by problems in how we manage administrative and operational aspects of this office – all problems that should have been easy to prevent. For this reason, I am determined to take the necessary actions to overcome the administrative weaknesses that the audit report has brought to light.

As the audit report raises some fundamental issues about the size, composition and structure of mission support to this integrated peacebuilding mission, I have asked DFS to help review some of the audit recommendations. For this reason, I would appreciate it if you could extend the deadline for our more detailed response until mid-November. I will be in New York during the first week of November and intend to hold discussions with DFS before finalizing our response to your report.

I have strong objections to the approach, analysis and conclusions that the audit report has taken in assessing the substantive political work of this mission. Before outlining a point by point response to the audit report, I would therefore provide you with my preliminary comments at a more policy level:

1. The overall rating of the draft audit report is unjustified

The overall rating that "*effective management of programmes by UNIPSIL were unsatisfactory*" is not justified. The report fails to provide any substantiated proof or evidence that would justify such a damning conclusion:

Ms. Eleanor Burns
Chief, Peacekeeping Audit Service
OIOS, Internal Audit Division
UN Secretariat, New York

1.1. UNIPSIL does not manage programmes

The audit report makes repeated references to the "*management of programmes*". However, UNIPSIL does not implement programmes¹; under our integrated approach all programmes are delivered through relevant UN agencies with UNIPSIL providing political, technical and logistical support. To refer to the management of programmes by UNIPSIL is therefore strictly speaking not correct and the allegation that effective programme management is unsatisfactory makes no sense.

At their de-briefing, the two auditors never mentioned anything about "management of programmes" (ref. their Power-Point presentation). In fact, they never ventured into any discussion about our substantive work. The critique about unsatisfactory programme management must have been added in New York later by somebody who obviously had no clue about the way this integrated peacebuilding mission operates. It is this *later added aspect to the audit that makes this a factually incorrect and unprofessional document.*

In Sierra Leone close to 30% of all Official Development Assistance (ODA) is still channeled through the UN system. This is by far a much larger share of ODA than in almost any other country the UN works in. This is an expression of the strong confidence donors have in the Joint UN Vision, in our integrated programme approach and in our collective capacity to manage programmes. For OIOS to state, without proper analysis, that "*effective management of programmes is unsatisfactory*" would not only irresponsibly undermine UNIPSIL and damage the good work that is being done by UN agencies but would ultimately question the credibility of OIOS.

1.2. UNIPSIL's mandate implementation is very successful

UNIPSIL is not managing programmes but is delivering on a Security Council mandate a) through direct political engagements with national and international stakeholders and b) through an integrated approach with UN agencies in implementing a common UN peacebuilding strategy, the Joint UN Vision for Sierra Leone.

Although the audit makes striking allegations about the overall work of UNIPSIL, it never actually provides any assessment of our mandate implementation, of our political engagements or of our integrated programme approach. There is no reference about our success in creating a more integrated, more focused, a more effective and more cost-efficient UN system in Sierra Leone as a cornerstone for peacebuilding. The report is silent about UNIPSIL's substantive political work in conflict prevention and peace consolidation that is being conducted by this office, about our unique position in negotiating on behalf of the international community controversial issues with the President, his government, with political parties and other stakeholders such as civil society, religious and traditional leaders or the media. There is no word about our leadership role in coordinating the response by the diplomatic community and the work of development partners in this country.

There is no recognition of the pioneering work that UNIPSIL is doing in developing this first DPA-led integrated peacebuilding mission. The audit report ignores the very positive reception we get from Sierra Leonean political stakeholders or from Sierra Leone's society at large. There is no

¹ The only exception is a relatively small OHCHR programme for which UNIPSIL provides administrative support. This is a special arrangement based on a MOU between the UN Secretariat and the OHCHR.

word about the appreciation from our international partners, from the Security Council, from the Peacebuilding Commission and even from a recent mission of the Fifth Committee. The report contradicts the very complementary and encouraging feed-back that this mission receives from the USG/ DPA and even from the Secretary-General himself.

We have received repeated compliments for our substantive political work and for creating a more efficient and integrated UN response to peacebuilding from senior British, American, Japanese, German and Nigerian visitors. A number of research institutions have singled us out to learn from our achievements such as Sussex University, Colombia University and NYU.

How could it be that the audit that is based on the work of two young auditors, one of them a JPO, comes to such sweepingly different conclusion that *"effective management of programmes were unsatisfactory"*?

1.3. Administrative problems identified in the audit only marginally impact UNIPSIL's substantive political work

Although the audit report never mentions this explicitly, the underlying assumption appears to be that problems in managing administrative services would have such a dramatic effect on the substantive work of UNIPSIL that would justify such overall unsatisfactory rating.

But also in this case the audit is wrong. The substantive political work of UNIPSIL depends largely on the availability, quality and motivation of our substantive staff. Their work requires essentially an office, electricity, transport, internet connection and help in arranging their travel. Although we face at times difficulties that are mainly due to local conditions in what is still one of the poorest countries of world, the overall administrative support to the substantive sections of UNIPSIL is satisfactory. I have never heard any serious complains from my colleagues that they could not do their work or worse, that UNIPSIL had been prevented from delivering its mandated activities.

Of course, a link between administrative services and our substantive work exists, but the risk of identified problem areas impacting adversely our substantive work is rather negligible. Whether or not we have too many ICs (almost all ICs are in mission support and security) and whether or not our asset management system is up-to-date has little, if any, impact on our substantive political work. Of course, this doesn't imply that we must not improve our administration.

2. **The allegation that UNIPSIL does not monitor its mandate implementation is simply wrong**

In its main section, the audit report claims that *"UNIPSIL's risk management, control and governance processes examined were unsatisfactory to provide reasonable assurance that UNIPSIL managed its programmes effectively in compliance with relevant UN policies and procedures."*

This is a sweeping statement indeed. But the audit does not substantiate this claim. The audit report has only three paragraphs on this issue - less than half page - and these paragraphs are erroneous and reveal only a lack of knowledge about the risk management, internal controls and governance processes that exist in this mission. The audit report itself appears to disqualify this sweeping statement by pointing out that this applies only to *"...serious control weaknesses in administrative management ..."* and not to the overall management of this mission.

In its very short section on risk management and strategic planning, the audit report claims further that the *"...monitoring of mandate implementation needs to be strengthened."* Worse, the audit report suggests creating an additional unit to assist in planning, coordination and monitoring

mandate implementation. This is not a serious proposal and is clearly based on fundamental misunderstandings of how this mission works and is structured.

In fact, there are three layers that help UNIPSIL to monitor and guide its activities to implement its Security Council mandate:

2.1. Monitoring of mandate implementation

UNIPSIL is a Security Council mandated mission and it is first of all the Security Council that monitors the progress that we are making in mandate implementation. The work of UNIPSIL is part of the bi-annual reports the Secretary-General submits to the Security Council and I have personally to appear before the Council to explain the activities, challenges and achievements of UNIPSIL. The Security Council has always welcomed our reports and the progress that we are making. OIOS may want to consult the seven reports to the SC that include a wealth of information on the substantive political work of UNIPSIL.

We interact with DPA, our parent department through weekly reports and regular code cables dealing with more specific issues. In Freetown, I regularly chair a meeting of a core group of heads of diplomatic missions of member states during which I present the missions activities, policies and seek general support for UNIPSIL's activities. Also here, our work and achievements are much appreciated.

2.2. Monitoring the implementation of Joint UN Vision

Within the UN family there are a number of mechanisms that help me guide and monitor the implementation of our common strategic framework, the Joint UN Vision. We have weekly structured Heads of Agency meetings; its results are recorded.

The Joint Vision has clearly spells out benchmarks and an M&E matrix. Earlier this year, we organized a joint retreat of all heads of UN agencies and senior UNIPSIL staff to reflect on what was achieved, on what would have to be done better and on what is the way forward.

In addition to the Security Council, I have also to report twice a year to the Peacebuilding Commission on the wider issue of the implementation of the Joint UN Vision. In November of this year we will present a detailed mid-term review of the achievements and challenges in the implementation of the Joint Vision. Also here we received throughout the support of the members of the PBC.

All these monitoring activities are back-stopped by a Strategic Planning Unit (SPU) that reports to me. By all accounts, the SPU is doing an outstanding job.

2.3. Monitoring of UNIPSIL's internal processes

Also within UNIPSIL, we have working monitoring mechanisms with regular Senior Managers Meetings (SMM) with its conclusions being recorded for easier follow up.

Furthermore, each section/ unit has its own regular meetings. On average, I attend section meetings twice a year to interact with all colleagues, to review work plans and to present my vision for the way forward. The monitoring processes inside UNIPSIL are back-stopped by the Chief of Staff; until her arrival this is being done by my special assistant. I have also the habit of strolling through the offices and chatting with colleagues at all levels of seniority and love holding so-called "terrace talks" at my residence with individual colleagues whenever there is an opportunity. I am easily approachable for all UN colleagues.

There is no need for further monitoring mechanisms and no room for yet another coordination unit as suggested in the audit report. The OIOS should be more careful in making such off-the-cuff suggestions without first understanding the mission's structures.

3. The special character of this integrated peacebuilding mission is misunderstood

Much of the problems emanate from the fact that the audit has not been able to understand the special character of this integrated peacebuilding mission and doesn't to appreciate the real risks for delivering UNIPSIL's mandate.

3.1. Absence of senior substantive staff during the audit mission

During the audit mission, only one of the five substantive heads of units of UNIPSIL was in the mission area. We had warned OIOS and suggested that the audit mission would be postponed. That the audit went ahead nonetheless undermines its credibility. It was not possible for the auditors to get an informed complete view of the substantive political work of UNIPSIL – even if they had wanted to.

As the audit report is silent about this fact, let me here remind you:

- Deputy & Head political unit **not available**, on home leave
- Head of democratic institutions **not available**, under recruitment
- Head of human rights unit **present**
- Head of police unit **not available**, under recruitment
- Chief of Staff **not available**, under recruitment

3.2. Failure to review the substantive political work by audit mission

The auditors also missed to engage those who were present. The only head of a substantive section in the mission at the time, the chief of human rights, was not interviewed. The head of the Strategic Planning Unit (SPU) said the auditors only briefly saw him and appeared not to be terribly interested in his work. After much hesitation, the auditors agreed to meet with heads of UN agencies, but this too has not found any reflection in their audit report. The report only mentions that there was a meeting but is silent on what was the outcome of such a meeting. As UNIPSIL is an integrated mission and as we work closely with UN agencies to deliver on our mandate, this is a serious error of judgment.

Despite the claim made in the report, the auditors failed interview me. They met me only at the beginning to explain their TORs and again on the last day to present their findings. They never sat down with Mr. G. Hagoss, senior consultant and former deputy head of mission, who has ten years of experience in working with the UN in Sierra Leone and could have helped shed light on how this mission functions.

As qualified and diligent the auditors were to review administrative processes, I feel they lacked the time, background knowledge, practical experience and above all the interest to fully appreciate the substantive political work of UNIPSIL.

3.3. Ignoring real risks to mandate delivery of UNIPSIL

One important risk for mandate implementation is the high vacancy rate for professional substantive staff in the mission. In a report to DFS of mid-January 2011 we had estimated that due to recruitment delays about 50% of budgeted professional international staff time had not

been made available to UNIPSIL. This is a very serious matter for a small integrated peacebuilding mission that relies for its mandate implementation entirely on highly-qualified expert staff.

Our mandate implementation was hampered because we had no chief of democratic institutions section and no chief of staff, because we could not recruit for years a constitutional expert, a youth employment adviser, an anti-corruption adviser, a public radio adviser, an environment conflict adviser, a special assistant or a number of civil affairs officers. During the first one and half years, most international professional staff were on temporary assignments with repeated three months contracts; because of delays in contract extensions some colleagues were at times without contracts.

It is equally surprising that the audit report fails to mention that I, as the Executive Representative of the Secretary-General and head of UNIPSIL, had no contract for nine months without being given any explanations. The auditors were aware of that.

How could an audit that claims to assess the risks to mandate implementation overlook this serious staffing issue? What credibility has an audit that emphasizes so much on the alleged risks emanating from having only short-term contracts for security guards, drivers, cleaners and gardeners, etc. on "*the effective management of programmes ...*" while it ignores the substantial vacancies and contract insecurities of the mission's international professional staff. Isn't OIOS crossing the line of the ridiculous here?

While the audit makes claims about UNIPSIL's allegedly unsatisfactory risk management, it fails to grasp the real concept of risk management. For example: to manage the risks to one of the core aims of UNIPSIL's mandate to help deliver free, fair and peaceful elections in 2012, we have prepared a detailed 2012 Election Conflict Risks and Risk Mitigation Map that guides our work. This is real risk management for our mandate implementation. There are other examples.

4. Right-sizing administrative support for integrated peacebuilding mission

The audit report makes frequent reference to what it considers an inadequate size of mission support for this integrated peacebuilding mission and in a number of cases suggests increasing the number of budgeted positions. This leaves the impression that the audit promotes the model of mission support sections in UN peacekeeping operations. But would this be the right answer for a much smaller, more technical and purely civilian integrated peacebuilding mission? I doubt this.

It is correct as stated in the audit report that when we started this mission in 2008 I had tried to adjust the model of mission support to suit our requirements and to bring administrative costs down. In doing so, we compared UNIPSIL to UNDP, UNICEF and WFP. These agencies have larger budgets and their work is by far more complex as they have to deal with actual programme implementation through often very weak national implementing partners. Like UNIPSIL, they manage some of the field offices and UNDP in particular is responsible for a number of additional and often tedious administrative functions (e.g. salary surveys, cost of living surveys, hardship surveys, etc.) that are related to the UN resident coordinator's system.

Despite all of this these UN agencies manage their administrative functions with only two international administrative staff. So why would UNIPSIL with a budget that is smaller and that consist of about 30% of staff salaries and 26% of a single large contract (helicopter) that are mostly managed by New York need a mission support section that is many times larger than those of our UN sister agencies?

At a time of an international financial crisis and calls by member states to reduce mission costs, I feel that we can no longer ignore this question. Instead of pushing for ever more staff resources to be allocated to administrative support functions, OIOS should become an advocate for leaner and more cost-efficient administrative processes. Unfortunately, this audit report does not make a contribution to this.

5. Final remarks

I am thankful to the two auditors for their work. They had a constructive attitude, interacted well with the mission and most importantly, brought to my attention as the senior manager of this mission to number of critical issues regarding our administrative processes. Although we do not agree with every observation they have made, their work is very useful to us in helping guide our efforts towards improving and streamlining the way this mission manages administrative support service.

During their mission, they stuck to purely administrative management issues and the PowerPoint presentation they left behind is in many ways clearer, more comprehensible and better structured than the draft audit that is now been presented to us. They did not venture into the wider areas of mandate implementation as the draft audit report tries to suggest. Except for asking UNIPSIL's substantive sections for their work-plans they never investigated any other aspect of the substantive political work of this mission.

It came therefore as a surprise to us when we received this "spiced up" draft audit report that draws conclusions for the entire mission's work. It took the Peacekeeping Audit Service four months to come up with this significantly different assessment. This begs the question what triggered Peacekeeping Audit Service to add such ill-researched, arbitrary and ultimately damaging audit result.

Yours sincerely,



Michael von der Schulenburg

cc: Lynn B. Pascoe
Under-Secretary-General
DPA

Ms. Susana Malcorra
Under-Secretary-General
Department of Field Services

Mr. Anthony Banbury
Assistant-Secretary-General
DFS

UNITED NATIONS  NATIONS UNIES
UNITED NATIONS INTEGRATED PEACEBUILDING OFFICE IN SIERRA LEONE

Executive Representative of the Secretary-General

CONFIDENTIAL

Freetown, 11 November 2011

Dear Ms. Lapointe,

UNIPSIL - Draft Audit Report

As part of a more technical response to the draft audit report of UNIPSIL submitted by ASG, DFS, Mr. Anthony Banbury, I would like to raise five critical issues in addition to what I consider to have been an unsatisfactory and unprofessional audit. I had initially hoped to raise these issues with you directly during my recent visit to New York (21 October – 28 October). As this was not possible, let me raise my concerns herewith in writing:

1. Arbitrary audit conclusions

The overall conclusion of this audit that “*effective management of programmes by UNIPSIL were unsatisfactory*” is arbitrary. Such conclusion is neither based on any systematic review or assessment of this office’s mandate implementation nor were the auditors qualified to conduct such a review. The “conclusion” as well as the draft report had been added in New York later and I find that this raises questions about the integrity of the way in which this audit has been conducted.

In this context, I attach my letter to Ms Eleanor Burns, Chief, Peacekeeping Audit Service, of 26 September 2011 with my preliminary response to the draft audit report. In this letter, I critiqued in more detail the arbitrary and unprofessional nature of the audit’s overall conclusion. So far, I have not received any reply to this letter.

2. Insufficient audit preparations

The audit was conducted without sufficient preparations to be able to review of an integrated peacebuilding mission such as UNIPSIL. Instead the audit treated us like any other peacekeeping mission overlooking that there are substantive differences. The auditors were ignorant about the strategic framework of this peacebuilding mission, the integration of UNIPSIL’s work with that of the UN country team, the internal decision-making mechanisms and the integrated monitoring and reporting system. This unique approach of a combined political and development mission has been recognized in a recent UN Working Group report as having made a critical contribution to coordinated

Ms. Carman Lapointe
Under-Secretary-General
for Internal Oversight Services
United Nations
380 Madison Avenue, Rm. 10037G
New York

Harmonization with national development agenda. (source: Lessons Learned Review of UN Support to Public Administration and Local Governance in POST Conflict Situations, August 2011, page 12, para. 27) During their visit, (the audit team) they made no efforts in trying to understand the special nature of this integrated peace building mission.

Wouldn't this have been an opportunity also for the Internal Audit Division to adjust to the new approaches that have been taken by DPA? As this is still an on-going process, I find that OIOS missed an opportunity to make a constructive contribution.

3. Failure to follow audit processes

The audit did not adhere to its own audit regulations by:

a) failing to establish transparent audit objectives at the entry conference

In their verbal presentation to senior management at the beginning of their mission on the 2nd of May, the auditors explained that the core objective of this audit was "***to identify management risks and risks mitigation in implementing UNIPSIL's mandate***". However, when we asked what they meant with "management risk mitigation", they initially responded by telling us that OIOS had a definition but that it was not customary to reveal this. When pressed further, the auditors promised to communicate this to their office in New York and present us with written clarification. Although the auditors were reminded of this promise again during the exit conference on the 19th of May, they never provided any such clarification.

At a later power point presentation to the wider staff, the auditors presented a much wider range of objectives that included such substantive issues like risk management, strategic planning mechanisms and coordinated management mechanisms. Under the scope of the audit the power point of the entry conference claims that this would include interviews and discussions (!) with UNIPSIL staff from both the substantive and support sections.

However, subsequently the audit did not follow its own objectives and scope of work and concentrated its work entirely on administrative issues. There had never been any discussion or dialogue with the office's management or a common understanding about the audit objectives and scope of work as stipulated in the audit manual.

b) failing to reach agreement on the findings and recommendations at the exit conference held on the 19th of May

At the exit conference (as well as during the de-briefing with me), there had not been any agreement reached on the audit's findings. In fact, the findings that were presented by the auditors in their power point presentation at the exit conference deviated considerably from those in the draft audit report.

Also contrary to the stipulations of the audit manual, the auditors never presented any of their recommendations to the senior management and the staff and consequently there could not have been any agreement.

4. Timing of a rushed audit

We were first notified with the notification letter of 21 March 2011 that the audit was scheduled to arrive in Freetown for fieldwork from 11-29 April. Subsequently, the audit was delayed and the audit team arrived 1 -19 May 2011, (it is not clear why the audit was so rushed). It is also not clear why the internal audit division had not tried to coordinate the dates with us well in advance to the audit exercise as is the norm. As soon as we learned of the pending audit, we advised the audit division that at that time of their

planned visit hardly any substantive staff would be in the mission area. Given that the audit's scope of work included holding interviews/ discussions with substantive staff, it is surprising that the audit division ignored our warnings.

This leaves the terrible suspicion that the audit may have been rushed in "support" for a bungled "investigation" conducted by OIOS's investigation branch that had played havoc in our office at about the same time. If true, this would raise serious questions about the independence of this audit and its ulterior motives and be in breach of audit principles.

5. Lack of communication

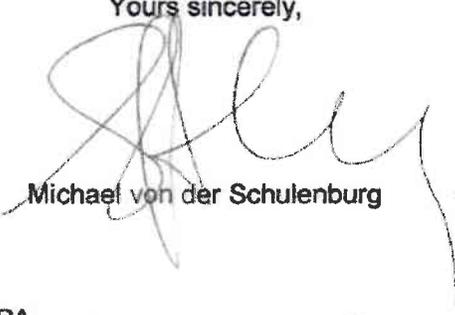
It appears that OIOS does not communicate. I have written to you on 9 May 2011 but received no reply. I have written to Ms. Burns (preliminary comments) on 26 September and again on 10 October without receiving a reply. I again e-mailed you on 21 October 2011 and received no reply.

How can OIOS claim that its overall aim is to "*a partnership for a better UN...*" if it refuses to communicate with respective missions and their leadership?

An internal audit is important and indispensable corrective tool for senior managers for ensuring that the mission is properly managed and I will always welcome any professionally conducted audit. But I feel that this audit is an example of how an organization can turn on itself and throw overboard its own audit principles of integrity, objectivity and competency.

I am copying this letter to Mr. Banbury with the kind request to attach this letter as well as my earlier letter to Ms. Burns to his memorandum forwarding DFS/UNIPSIL audit reply. I trust that you will treat these two letters as integral part of our reply and publish them along with your audit.

Yours sincerely,



Michael von der Schulenburg

cc: Mr. Lynn B. Pascoe, USG/ DPA
Ms. Susana Malcorra, USG/ DFS
Mr. Anthony Banbury, ASG/ DFS