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INTEROFFICE MEMORANDUM MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION I
OFFICE OF INTERNAL OVERSIGHT SERVICES

TO: Mr. Lovemore Munlo, Registrar
A: Special Court for Sierra Leone

DATE: 21 March 2006

REFERENCE: AUD-7-5:73 (00170 /06)

THROUGH:

S/C DE:

FROM: Dagfinn Knutsen, Acting Director
DE: Internal Audit Division-I, OIOS



SUBJECT: **OIOS Audit No. AP2005/622/09: Follow-up review of outstanding audit
OBJET: recommendations relating to the Special Court for Sierra Leone**

1. Further to OIOS' final audit report (AP2004/622/01 dated 2 November 2004) on the audit of the Special Court for Sierra Leone, attached is a table indicating the results of OIOS' follow-up review of the outstanding recommendations relating to this report.
2. In the final audit report dated November 2004, we informed you that based on your response to our draft report, we had closed recommendations 2, 4, 13 to 17, 21, 22, 25 and 28 in the OIOS recommendations database. As a result of our follow-up review of outstanding recommendations conducted in November 2005, we are pleased to inform you that we have also closed recommendations 3, 5 to 7, 9 to 11, 18 to 20, 23, 24 and 27, and recommendations 1, 12 and 30 have been withdrawn. In order for us to close out recommendation 8, we request that you provide us with additional information as indicated in the attached table. Please note that OIOS will report on the progress made in implementing its recommendations, particularly those designated as critical, in its annual report to the General Assembly and semi-annual report to the Secretary-General.
3. We wish to express our appreciation to the Management and staff of the Special Court for Sierra Leone for the assistance and cooperation extended to the auditors during this assignment.

Copy to: Members of the Management Committee, Special Court for Sierra Leone
Mr. Warren Sach, Assistant Secretary-General, Controller
UN Board of Auditors
Programme Officer, OIOS
Mr. Bolton Tarleh Nyema, Chief Resident Auditor, UNAMSIL

Special Court for Sierra Leone
Follow-up of outstanding recommendations relating to OIOS Audit No. AP2004/622/01

Recommendation Number	Text of Recommendation	Special Court's Response	OIOS' Comment
1	<p>OIOS recommends that the Court submit a proposal to the Management Committee requesting for its deliberations and decisions to be documented and published in formal reports to regularly inform Member States and other interested stakeholders on the Court's activities (AP2004/622/01/1).</p>	<p>Disagree The SCSL management is not in a position to request the Management Committee to formally publish its deliberations and decisions, contained in the minutes of the Management Committee meetings.</p>	<p>Recommendation AP2004/622/01/1 has been withdrawn. OIOS recognizes that to be relevant, information should be driven by the needs of the users. In addition, we recognize that the SCSL does not have the authority to request its regulatory body, the Management Committee to publish its deliberations. We have also taken note that the Management Committee is currently considering the need to publish its deliberations, particularly for the benefit of other donors who are not represented in the Management Committee. There are some 33 pledging/donor states. However, only five of the donors are currently represented in the Management Committee.</p>
3	<p>OIOS recommends that the Court use the development of its exit strategy as an opportunity to take stock of its achievements, draw lessons from areas that need improvements and reinforce the legacy the Court intends to leave behind as an instrument of justice to the people of Sierra Leone and of the region (AP2004/622/01/3)</p>	<p>The management agreed to the recommendation, and recruited a staff member in August 2004 as coordinator to develop and revise the completion & exit strategy with all parties concerned on regular basis.</p>	<p>Recommendation AP2004/622/01/3 has been closed in OIOS' recommendations database. OIOS recognizes that the preparation of a completion & exit strategy is an ongoing process, taking into consideration the actual experiences of the Court. The efficacy of this process is assured by the recruitment of a staff to coordinate it.</p>
5	<p>Continue to liaise with UNAMSIL and the Government of Sierra Leone to assess the security requirements beyond 30 June 2005 (AP2004/622/01/5).</p>	<p>The Special Court for Sierra Leone, in coordination with UNAMSIL and UNMIL, and in accordance with Security Council resolution 1610 (2005), has developed proposals for the continued provision of security to the Court after the withdrawal of UNAMSIL, including command and control and contingency</p>	<p>Recommendations AP2004/622/01/5 has been closed in OIOS' recommendations database. We noted that the actions referred to in Management's response represent concrete outcomes of the continuing liaison between these bodies.</p>

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6	<p>OIOS recommends that the Court formalize the establishment of its chart of accounts that record contributions and expenses and present financial statements (AP2004/622/01/6)</p> <p>Present its overall policy orientation and an overview of posts and other resources in the beginning of the budget document (AP2004/622/01/7).</p>	<p>planning for enhanced security in case of crisis.</p> <p>The Management agreed to the recommendation and the Registrar officially signed the updated chart of accounts in July 2004. The SCSL requests that this recommendation be closed in the OIOS database.</p>	<p>Recommendation AP2004/622/01/6 has been closed in OIOS' recommendations database. OIOS is satisfied with the implemented action.</p>
7	<p>Present its overall policy orientation and an overview of posts and other resources in the beginning of the budget document (AP2004/622/01/7).</p>	<p>The management disagreed with the recommendation. The 2004-2005 and 2005-2006 budgets already presented overall policy direction and an overview of posts and resource requirements at the beginning of the budget documents. The SCSL requests that this recommendation be closed in the OIOS database.</p>	<p>Recommendation AP2004/622/01/7 has been closed in OIOS' recommendations database. OIOS noted that the 2003-2004 budget reviewed during the audit did not contain the level of details provided in the 2004-2005 and 2005-2006 budgets. We are satisfied with the presentation of the 2005-2006 budgets.</p>
8	<p>Articulate objectives, expected accomplishments and indicators of achievement at each budget component level (AP2004/622/01/8)</p>	<p>The management agreed with some of principles in the recommendation and the supporting observations; however the 2004-2005 Budget presents, at the level of each of the four Components (the Chambers, the Office of the Prosecutor, the Registry and the Defense Office) a list of the activities that they will undertake to fulfill the Court's mandate, as spelled out by Security Council Resolution 1315 (2000) and by the Agreement between the United Nations and the Government of Sierra Leone on the Establishment of a Special Court for Sierra Leone. This formulation, approved by the Management Committee, is considered an adequate logical framework to</p>	<p>Recommendation AP2004/622/01/8 will remain open in OIOS' recommendations database pending receipt of documentation from the Special Court showing that it has been implemented. OIOS' is not satisfied with the actions taken. We understand that the completion & exit strategy being prepared will enumerate the specific objectives achieved by the Court and its accomplishments. To this end and in our view, the Court has gained, over the years, sufficient experience to be able to more clearly articulate its objectives, expected accomplishments and indicators of achievement.</p>

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9	Provide the details of resource requirements for posts and other direct costs for each component (AP2004/622/01/9)	The management disagreed with the recommendation. The 2004-2005 and 2005-2006 budgets do provide details of resource requirements for posts and other direct costs for each component. The SCSL requests that this recommendation be closed from the OIOS database.	Recommendation AP2004/622/01/9 has been closed in OIOS' recommendations database. OIOS noted that the 2003-2004 budget reviewed during the audit did not contain the level of details provided in the 2004-2005 and 2005-2006 budgets. We are satisfied with the presentation of the 2005-2006 budget.
10	OIOS recommends that the Court include staffing table authorizations in allotments (AP2004/622/01/10).	Whilst Management still considers that there is no additional value to be added in the Registrar signing the staffing table which was requested by that office in the budget and ratified by the Management Committee, that to do so will not add undue administrative burden, and believes that this item should be closed from the database.	Recommendation AP2004/622/01/10 has been closed in OIOS' recommendations database. We noted that the Registrar is sufficiently involved in the daily management of the Court's resources once they are appropriated by the Management Committee. In this connection, The Registrar typically issues allotments to cost centers for the procurement of goods and services.
11	Authorize redeployment of resources between sections/budget components based on written evidence of prior information to the Management Committee of such redeployments (AP2004/622/01/11).	The management agreed to the recommendation. With the establishment of the Budget Office in September 2004, all requests for redeployment and/or alignments for the Registrar and subsequent Management Committee approval have been submitted formally and in writing with the necessary supporting documentations.	Recommendation AP2004/622/01/11 has been closed in OIOS' recommendations database. In addition to the satisfactory action taken by Management, we noted that the Financial Regulations of the Court conveys onto the Registrar the prerogative to redeploy funds without the prior approval of the Management Committee, which authorized the appropriation.
12	Consider revising the Court's accounting structure to align it with its three major budget components so that allotments and expenditures are aggregated at the level of each cost centre and are also rolled up to	The management disagreed with the recommendation. Whilst the Court identifies four distinct organs ("components") in its 2004-2005 budgets, it would not gain additional value by concentrating its budgeting activities at	Recommendation AP2004/622/01/12 has been withdrawn. OIOS noted that the implementation of this recommendation requires changes in the accounting and reporting systems which might be prohibitive.

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	<p>each budget component (AP2004/622/01/12).</p>	<p>that level. Rather, its stakeholders derive value from understanding the key cost centres and the way in which they interact towards achieving the mandate. As such, the SCSL employs a partially decentralized budget which identifies individual cost centres referencing significant individual areas of concern and collates and summarizes that data with reference to object/classes of expenditure.</p>	
18	<p>Formally establish an Appointment Panel specifying its mandate, membership, representation from the Court's staff body and its term of office (AP2004/622/01/18)</p>	<p>The Court maintains that its current recruitment procedures and review mechanisms combined with the mandate of the Court do not warrant the establishment of an Appointment Panel. The SCSL requests that this recommendation be closed from the OIOS database.</p>	<p>Recommendation AP2004/622/01/18 has been closed in OIOS' recommendations database. OIOS is satisfied with the current practice of establishing ad hoc recruitment panels comprising representatives from the HR Section and at least two representative of the requisitioning section.</p>
19	<p>OIOS recommends that the Court establish a mechanism to analyze the feedback received from the separating staff members in the exit interview and address the significant areas of concern (AP2004/622/01/19).</p>	<p>The Court continues to review feedback received and the Registrar directs his concerns to the appropriate sections. The Staff Council has been invited and included on both the Check-in and Check-out procedure, and derive their own feedback through their own established mechanisms. The SCSL requests that this recommendation be closed from the OIOS database.</p>	<p>Recommendation AP2004/622/01/19 has been closed in OIOS' recommendations database. OIOS is satisfied with the implemented actions.</p>
20	<p>Initiate immediate steps to enter into written contracts for rental, maintenance and repairs of vehicles on a competitive basis</p>	<p>The management agreed to the recommendation. An interim maintenance contract was established in February 2004 and awarded to John</p>	<p>Recommendation AP2004/622/01/20 has been closed in OIOS' recommendations database. OIOS is satisfied with the implemented actions.</p>

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23	<p>(AP2004/622/01/20).</p> <p>OIOS recommends that the Court, in light of the Registrar's expression of a need to reassess the requirements, review the technical specifications of the security system initially prepared and award the contract to the lowest bidder (AP2004/622/01/23).</p>	<p>Michaels Motors. The SCSL requests that this recommendation be closed in the OIOS database.</p> <p>The management agreed to the recommendation. The technical specifications were reviewed in August 2004 by Security Section. The contract was awarded to GII Beveliging of the Netherlands as per the approval of the Committee on Contracts minutes SCSL/CC/2004/039; Lowest Acceptable Bid.</p>	<p>Recommendation AP2004/622/01/23 has been closed in OIOS' recommendations database. OIOS is satisfied with the implemented actions.</p>
24	<p>Procure or develop an electronic database to centralize the recording and monitoring of all its assets (AP2004/622/01/24).</p>	<p>The management agreed to the recommendation. FACS system was implemented in July 2004; all self-accounting units and asset holders were trained. Records are now updated on regular basis. The SCSL request that this recommendation be closed in the OIOS database.</p>	<p>Recommendation AP2004/622/01/23 is considered closed in OIOS' recommendations database. OIOS is satisfied with the implemented actions.</p>
26	<p>Keep communications and information technology assets in a centralized store with shelf facility for proper storage of these assets (AP2004/622/01/26).</p>	<p>The management agreed to the recommendation. A new store has been allocated at the Security building allowing all CITS assets to be centrally held. We have therefore been able to consolidate the multiple disparate locations that were used as mini storage locations before to ensure the centralized distribution and management of CITS assets. The SCSL requests that this recommendation be closed in OIOS database.</p>	<p>Recommendation AP2004/622/01/26 has been closed in OIOS' recommendations database. OIOS is satisfied with the implemented actions.</p>
27	<p>Establish a Property Survey Board</p>	<p>The management agreed to the</p>	<p>Recommendation AP2004/622/01/27 has been closed in</p>

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	without further delay to advise on the lost and damaged assets (AP2004/622/01/27)	recommendaion. The Registrar approved the terms and references of the PSB on 04 October 2004 as per Information Circular SCSL/IC/04/005. The SCSL requests that this recommendation be closed in OIOS database.	OIOS' recommendations database. OIOS is satisfied with the implemented actions.
29	Submit all audit reports and the status of the implementation of audit recommendations to the Management Committee for its consideration periodically (AP2004/622/01/29).	The management agreed to the recommendation. Since this is an ongoing process, the SCSL requests that this recommendation be closed in OIOS database.	Recommendation AP2004/622/01/29 has been closed in OIOS' recommendations database. OIOS is satisfied with the implemented actions.
30	Include the implementation status of each recommendation as part of the Court's approved financial statements and future budget proposals (AP2004/622/01/30)	Disagree The Court does not consider that the Financial Statements, or the Budget is the convivial forum of addressing audit recommendations.	Recommendation AP2004/622/01/30 has been <u>withdrawn</u> . The best practice and effective way to handle the recommendations of OIOS and the Board of Auditors is the establishment of a sub-committee within the Management Committee of the Special Court. The sub-committee should be mandated to review and ensure implementation of audit recommendations. OIOS suggests that the Special Court consider the establishment of a sub-committee within the Management Committee to handle issues raised by oversight bodies.