



OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

Audit of Human Resources Management at UNJSPF

UNJSPF could improve human resources management by developing a formal HR policy documenting all exceptions from the UN human resources policies and procedures, formalizing the composition of the Strategic Workforce Planning team and establishing the milestone dates for achievement of the exercise

31 July 2009

Assignment No. AS2009/800/01

United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTRÔLE INTERNE
INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE

TO Mr. Bernard Cochemé, Chief Executive Officer
A United Nations Joint Staff Pension Fund

DATE 31 July 2009

REFERENCE IAD: 09- 07705

FROM Fatoumata Ndiaye, Acting Director
DE Internal Audit Division, OIOS

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SUBJECT **Assignment No. AS2009/800/01 - Audit of Human Resources Management at UNJSPF**
OBJET

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we are pleased to inform you that we will close recommendations 2, 6, and 10-12 in the OIOS recommendations database as indicated in Annex 1. In order for us to close the remaining recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.
3. Your response indicated that you did not accept recommendation 13. In OIOS' opinion however, this recommendation seeks to address staff management issue - a significant human resource area. We are therefore reiterating it and requesting that you reconsider your initial response based on the additional information provided in the report.
4. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendations 2, 6 and 7), in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Ms. Suzanne Bishopric, Director, Investment Management Service, UNJSPF
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Mr. Jesus Lara Alonso, Officer-in-Charge, Joint Inspection Unit Secretariat
Mr. Moses Bamuwamye, Chief, Oversight Support Unit, Department of Management
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Mr. William Petersen, Chief, New York Audit Service, OIOS

INTERNAL AUDIT DIVISION

FUNCTION

"The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization" (General Assembly Resolution 48/218 B).

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EXECUTIVE SUMMARY

Human Resources Management

OIOS conducted an audit of human resources (HR) management at the United Nations Joint Staff Pension Fund (UNJSPF or the Fund). The overall objective of the audit was to assess the human resources management system at UNJSPF and its compliance with the established regulations and rules in the following areas: (i) internal controls, including the control environment (tone at the top) and compliance with policies and procedures, (ii) resources: staffing and systems, (iii) training, development and career management, (iv) performance measurement and evaluation, (v) financial disclosure and declaration of interest statements, and (vi) HR complaints, grievances and resolution process. Within the audit objectives and scope, OIOS did not attempt to provide a conclusion on the effectiveness of human resources management in supporting the objectives of the operating activities of the Fund as this will be assessed as part of audits of business processes and support activities. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

The audit observed that due to the inter-agency status of the Fund, it has been agreed that UN administrative procedures and directives would not be automatically applicable to the Fund staff, since the requirements of the Board take precedence. The CEO is empowered to issue policies, procedures, and guidelines for the efficient administration of the organization and its staff. However, the Fund did not have an internal HR policy document that clearly defines the authorities delegated to the CEO of UNJSPF in respect of the HR management and those exceptions from UN HR policies that UNJSPF has received.

The audit further observed that in the Management Charter, UNJSPF has committed to consider a more strategic approach to its human resource requirements. In this regard, the Fund undertook a "whole office" review to determine the most efficient staffing and organizational structure and has engaged in the Talent Management system of the Office of Human Resources Management as a pilot department with the aim of creating a methodology for strategic workforce planning. However, at the time of the audit, the policy document on Strategic Workforce Planning has not been finalized and approved by management, and the timeframe and the core team composition of the workforce planning exercise had not been determined.

The audit also concluded that achieving improvement in HR management would require implementing the following recommendations:

- Develop and implement a policy encouraging personnel in positions involving financial responsibilities to take an uninterrupted period of two weeks' annual leave in each year.
- Maintain a consolidated staffing document and periodically reconcile the number and level of authorized posts by functional unit and incumbency status to the information in IMIS.

- Develop and communicate management action plans to expedite and measure the recruitment process for the currently vacant posts and future open positions in accordance with the UN HR guidelines, with additional focus on gender parity.
- Develop and implement a policy for assigning IMIS access to users in accordance with their functions performed and require the Executive Office to *closely monitor authorized functional package capabilities* assigned to every staff member.
- Establish a procedure to require that all staff members employed by the Fund beyond the mandatory age of retirement have formalized work plans and specific outputs, including knowledge transfer requirements, agreed with the supervisors with performance evaluations completed following each contract term. These plans and evaluations should be required to be documented in the personnel records.
- Ensure that each functional unit formulates an annual training plan based on identified specific training needs of staff and linked to the PAS of *each staff member, including external technical training and competency training* offered by the UN. Management should establish procedures to track the implementation of the approved training plans on a periodic basis as prescribed by the ST/AI/1997/4.
- Ensure that performance appraisals are completed for all staff across the Fund on a timely basis and require that first reporting officers have a meeting with each staff member to discuss the results of their performance at the end of each performance evaluation cycle.
- Consult and clarify with the Secretary-General the status of the UNJSPF personnel with respect to their representation and participation in the *staff-management activities*, given that the UN Staff Union Polling Officers in New York decided that UNJSPF was not part of the "Secretariat," and could not therefore partake in the Staff Union activities.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of human resources (HR) management at the United Nations Joint Staff Pension Fund (UNJSPF or the Fund). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. The Fund was established in 1949 by the General Assembly to provide retirement, death, disability and related benefits for the staff of the United Nations and the other 23 organizations admitted to membership in the Fund. The Fund pays benefits in 15 currencies to beneficiaries in some 190 countries. As of 31 December 2008 the number of active participants of the Fund reached 165,000.

3. UNJSPF is a special inter-agency body, administered and managed by the Chief Executive Officer (CEO) of the Fund, who in turn is directly responsible to the United Nations Joint Staff Pension Board (UNJSPB) and ultimately to the United Nations General Assembly. The Fund has benefit processing and administration offices in New York and Geneva.

4. The Fund's investment portfolio is managed by the Investment Management Division (IMD). Decisions regarding investments are placed under the responsibility of the Secretary-General of the United Nations; the Secretary-General has delegated his fiduciary and trustee responsibilities to the Representative of the Secretary-General (RSG) for the investments of the UNJSPF who has in turn delegated operating responsibility to IMD.

5. The Executive Office (EO) is responsible for administrative and programme support necessary for the implementation of the activities of the Fund. It assists the CEO and Director of IMD in the preparation of the biennial budget submission and performance reports to the legislative bodies and provides technical and administrative support to programmes for the efficient utilization of human and financial resources. EO also oversees general administration and facilities management. In addition, the Office is responsible for advising the senior management and staff on questions relating to the interpretation and application of the UN Rules and Regulations, administrative policies and procedures.

6. In the human resource area, EO is responsible for day-to-day support with regard to issues relating to recruitment, and representation before the appointment and promotion bodies, staff welfare and conditions of service, duties and responsibilities, staff development and training, performance appraisals, administration of entitlements and benefits under Staff Regulations and Rules, and movement and relocation of staff. Currently, in addition to the Executive Officer who spends 50 per cent of the time performing human resource functions, EO has two full time staff dedicated to human resource administration.

7. Comments made by UNJSPF are shown in *italics*.

II. AUDIT OBJECTIVES

8. The overall objective of the audit was to assess the human resources management system at the UNJSPF and its compliance with the established regulations and rules in the following areas:

- (a) Internal controls, including the control environment (tone at the top) and compliance with policies and procedures
- (b) Resources: staffing and systems
 - i. Recruitment and promotion (efficiency, compliance with rules)
 - ii. Succession planning
 - iii. Staffing issues (needs assessment process, workload distribution, budgeting)
 - iv. Roles and responsibilities
 - v. Tools/technology
- (c) Training, development and career management
- (d) Performance measurement and evaluation
- (e) Financial disclosure and declaration of interest statements
- (f) HR complaints, grievances and resolution process

III. AUDIT SCOPE AND METHODOLOGY

9. The audit scope comprised the review of the organization's policies, procedures, processes, documentation, systems, and practices with respect to the Fund's HR functions, including the areas of recruitment, succession planning, performance measurement, training and development, record keeping and declaration of independence and financial disclosure statements. Within the objectives and audit scope, OIOS did not attempt to provide a conclusion on the effectiveness of human resources management in supporting the objectives of the operating activities of the Fund as this will be assessed as part of audits of business processes and support activities. An auditing software tool was used to generate a sample for substantive testing of sample cases to assess compliance with policies and procedures and leading industry practices. It also included interviews with HR management and key staff. Results of prior relevant audit assignments were also followed up during this audit.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Strategic direction, structure and policies

Human resources management framework

10. The administration of the Fund is overseen by the CEO. Article 7 of the Regulations and Rules of UNJSPF states that the Secretary to the Board is the

Chief Executive Officer of the Fund and performs his functions under the authority of the Board. The CEO is empowered by the Board regarding the management and accountability of the Fund and may issue policies, procedures, and guidelines for the efficient administration of the organization and its staff. As part of the UNJSPB review of the long-term administrative arrangements of the Fund, carried out in 1998 and 1999, the Board agreed to pursue autonomy for the CEO in selecting staff for the Fund's Secretariat, while continuing to use the United Nations machinery for reviewing candidates for vacant posts and promotions; the recommendations of the review bodies are sent to the CEO for final decision. The Administrative Officer in the EO is responsible for carrying out personnel functions.

11. The Memorandum of Understanding (MOU) with respect to United Nations personnel procedures applicable to the UNJSPF signed on 30 June 2000 sets the framework and guiding principles for human resources management, as it relates to the Fund. In accordance with the Fund's Regulations, the CEO and Deputy CEO of the Fund are appointed by the UN Secretary-General upon the recommendation of the UNJSPB and hold UN appointments. As such they are entitled to all UN benefits and entitlements, and are subject to the UN Staff Regulations and Rules. However, due to the special inter-agency status of the Fund, it has been agreed that the UN administrative procedures and directives would not be automatically applicable to the Fund staff, since the requirements of the Board take precedence.

12. OIOS observed that the Fund did not have an internal HR policy document that clearly defines the authorities delegated to the CEO of UNJSPF in respect of the HR management and those exceptions from UN HR policies that UNJSPF has received. For example, certain occupational groups are exempt from the managed mobility requirement of the Office of Human Resources Management (OHRM) and authority to make certain HR related decisions was delegated to the CEO from OHRM for retention in service of staff members beyond mandatory age. In the view of OIOS, an HR policy should be developed to clearly outline the applicability of UN procedures and policy guidance (recruitment, mobility, language proficiency related accelerated increments, etc.). Lack of a complete HR framework may lead to inconsistent interpretation and application of HR policies and guiding principles.

Recommendation 1

(1) The UNJSPF management should document all exceptions from the UN human resources policies and procedures in the UNJSPF human resources policy document.

13. *The UNJSPF management accepted recommendation 1 and stated that HR policy is being developed specific to UNJSPF. In addition UNJSPF will continue to document exceptions as they arise.* Recommendation 1 remains open pending receipt of the UNJSPF HR policy documenting the exceptions from UN policies and procedures.

Annual leave policy for financial positions

14. OIOS observed that UNJSPF did not have a policy that encouraged staff with financial responsibilities, e.g., investment officers and accounting personnel, and others that either initiate, record or reconcile financial transactions to take an uninterrupted annual leave of two weeks. One of the indicators in an organization that irregularities may be occurring is a reluctance of personnel having financial responsibilities to take regular and uninterrupted annual leave. It is a preventive control and industry standard to require personnel involved in financial positions to take an uninterrupted period of two weeks' annual leave in each year and have their functions performed by another individual within the organization. Such a policy provides a check on the adequacy of staff members' performance and reduces the probability of recurring errors or irregularities remaining undetected.

Recommendation 2

(2) The UNJSPF management should encourage personnel involved in financial positions to take an uninterrupted annual leave period of two weeks in each year.

15. *The UNJSPF management accepted recommendation 2 and stated that UNJSPF adheres to the annual leave policy as provided by Staff Regulation 5.1 "All staff should be allowed appropriate annual leave" and Staff Rule 105. UNJSPF management will encourage personnel involved in financial positions to take an uninterrupted annual leave period of two weeks in each year. Based on the action taken by the UNJSPF management, recommendation 2 has been closed.*

B. Resources: staffing and systems

Succession planning and talent management

16. At the time of the audit, UNJSPF did not have evidence of a succession strategy. OIOS observed that 20 staff members at various levels across the Fund were due for mandatory retirement within the next five years. Seven of these staff members are experienced Benefit Assistants in the Pension Entitlements Section and five staff members are experienced Accounting Assistants in the Financial Services Section. These individuals have been with the Fund on average for more than 30 years and have accumulated significant institutional knowledge. High turnover in the key operations positions in the near future and lack of a clear strategy for replacing them could adversely affect continuity and the optimal achievement of operational goals.

17. OIOS noted that UNJSPF has committed to consider a more strategic approach to its human resource requirements. In this regard, the Fund undertook a "whole office" review to determine the most efficient staffing and organizational structure and embarked on a talent management initiative during 2008 and drafted a policy document on strategic workforce planning. OHRM had launched the talent management initiative in the United Nations Secretariat

around the same time, so it was decided that the Fund would join the working group led by OHRM as a pilot department with the aims of creating a methodology for strategic workforce planning. However, the audit observed that the policy document has not been finalized and approved by management. Also, at the time of the audit, the timeframe and the core team composition of the workforce planning exercise have not been determined.

Recommendation 3

(3) The UNJSPF management should formalize the composition of the strategic workforce planning team and establish the milestone dates for achievement of the exercise. This workforce planning exercise should encompass a strategic approach to succession planning.

18. *The UNJSPF management accepted recommendation 3 and stated that the Working Group including UNJSPF Directors and managers and EO was established in 2008 and meetings held on 21 November 2008 and 5 December 2008. The documents were circulated in January 2009 for comments. Further coordination was halted with OIC EO changes took place in February 2009. OHRM have provided their comments (May/June 2009) and advised that the document is a standard and well structured WFP approach. With regard to the strategic approach to succession planning, OHRM have advised "For now, within the context of SWFP, as a first step, succession planning focuses on intra-departmental movements on lateral basis." UNJSPF works within the policies outlined in ST/AI/2006/3 on lateral moves. OHRM further advised that "in regards to succession planning, OHRM is now in the process of preparing the succession plan template and methodology. During the second phase of the SWFP exercise, the finalized methodology will be communicated with heads of departments and offices on clear benefits of succession planning include shortened time to fill vacancies, proactive search of all available talent, greater consistency, etc. The pivotal role of programme managers in the succession planning process will be communicated as well". As this is a new initiative for the UN, UNJSPF would work closely with OHRM. Recommendation 3 remains open pending receipt and review of the minutes of the most recent Working Group meeting held during 2009.*

Need for a consolidated staffing document

19. The audit noted that the UNJSPF EO did not have a consolidated staffing document for the New York and Geneva offices. In accordance with the approved programme budget for the biennium 2008-2009, the Fund had 214 established posts. OIOS reviewed the system generated post incumbency report from Web Integrated Reporting (WIRe) and observed that it did not include all authorized UNJSPF posts. The audit further noted that the New York post incumbency report showed three posts marked as Geneva posts, which were not to be counted as part of the New York staffing table as they were the result of a system error. According to the Fund, EO generated the post incumbency report from the WIRe for human resource management purposes. The post incumbency report is used for HR administration purposes, including monitoring the status of

posts and contract expiration dates. Further, due to technical reasons the post incumbency report for Geneva cannot be generated from IMIS in New York. It has to be generated in Geneva and forwarded to EO for consolidation.

20. In the view of OIOS, a consolidated staffing document showing all authorized posts, including established posts, general temporary assistance and temporary posts by functional units with remarks on each post would be a valuable tool for monitoring staffing needs on a regular basis. This document would also allow management to have complete and accurate information on authorized posts, available resources and status of vacancies readily available for monitoring and decision making.

Recommendation 4

(4) The Executive Office of UNJSPF should maintain a consolidated staffing document and periodically reconcile the number and level of authorized posts by functional unit and incumbency status to the information maintained in IMIS.

21. *The UNJSPF management accepted recommendation 4 and stated that the posts detailed on these two reports (IMIS NY and IMIS GVA) represent the total established posts for UNJSPF. The reports also reflect the GTA posts being utilized. The number and level of established authorized posts does not deviate from these documents. It is clearly indicated on the report whether each post is one of the authorized established posts, or whether from GTA funds. (Due to technical error involving parameters the additional 3 GVA posts were indicated in the NY IMIS report). The EO will manually prepare a staffing document with the number and level of posts by functional unit and incumbency status from the two IMIS reports generated from New York and Geneva. Recommendation 4 remains open pending receipt of the consolidated staffing document.*

Geographical representation and gender parity

22. According to communications from management, the Fund seeks to practice diversity as it relates to geographical distribution. In examining geographical representation, OIOS reviewed the annual HR book of statistics as of 31 December 2007 and observed that representation of staff members was well diverse, with only four countries that were underrepresented.

23. The achievement of gender equality in the United Nations System is one of the important goals set by the General Assembly in its many resolutions on gender issues. Special measures, policies and strategies had been set to achieve a 50/50 gender distribution in the near future. According to the ST/AI/1999/9 Section 4, Heads of department and offices have responsibility and are accountable for the implementation of the special measures set out by the administrative instruction.

24. As part of the audit, OIOS analyzed the statistics on gender distribution based on the current post incumbency reports. As of 31 December 2008, the total number of staff in the professional category and above was 76, out of which 49

(64 per cent) were male incumbents, and 27 (36 per cent) were female. In the General Service category out of 146 posts 82 (56 per cent) were filled by female staff members, and 64 (44 per cent) by males. Thus, the target of 50/50 gender parity, established in the UNJSPF programme budget for the biennium 2008-2009, was not met. Further, since the audit found no evidence of management action designed to achieve the target, OIOS concluded that the Fund needed to make additional effort to achieve the Organization's goal of gender parity.

Recruitment and promotion

25. In accordance with the MOU referred to in paragraph 10 above, all general service and professional staff are appointed and promoted through the normal UN appointment and promotion procedures, according to the policies applicable at the duty stations in which the UNJSPF staff serve presently New York and Geneva. UNJSPF Secretariat and IMD have their own departmental panels for purposes of submissions to the UN appointment and promotion bodies. In the audit period there was a total of 28 recruitment and promotion cases processed, including posts approved under the revised budget A/Res/61/240 and approved by the General Assembly resolution A/Res/62 as well as established vacant posts. OIOS reviewed these cases and observed that they have been carried out in compliance with the requirements of the Staff Selection System prescribed by ST/AI/2006/3.

Vacancy processing

26. However, the audit observed that the recruitment and vacancy management process was very lengthy in the Fund. OIOS' review of information contained in the Galaxy system on all cases initiated after 1 January 2006, for which selection decisions were made between 1 January 2007 and 1 January 2009, showed that the overall average number of days for processing vacancies was 246. The target of 150 days established in the proposed programme budget for the biennium 2008-2009 for filling vacant posts, was not realized. In addition, according to the post incumbency report generated from WIRE, as of 20 January 2009, the Fund had 23 vacant posts, which represents a 10 per cent vacancy rate. Further, the Pension Entitlements and Client Services Section (PECSS) (6 vacancies or 13%) and IMD (7 vacancies or 14%) had significant vacancy levels.

27. The audit found no evidence of a definitive management action plan designed to achieve the stated goal of 150 days. Delays in the recruitment process may prevent the Fund from recruiting the best suited candidates or first choice of candidates. Furthermore, vacancies may negatively impact the Fund's ability to fulfil its objectives. Managers at different levels within the Fund identified the length of the staff selection process as one of the biggest human resources challenges they face. This matter of concern has also been raised by several consultants in their reports on operational reviews of the Fund's activities in the past.

Recommendation 5

(5) The UNJSPF management should develop and communicate management action plans to expedite and measure the recruitment process for the currently vacant posts and future open positions in accordance with the UN HR guidelines, with additional focus being placed on gender parity.

28. *The UNJSPF management accepted recommendation 5 and stated that a tracking system utilizing benchmarks for each stage of the process will be developed to assist managers with timely recruitment, providing a feedback and monitoring system. While not formally subject to reporting on gender parity, UNJSPF does seek to support this initiative. It should be noted that only 5 professional staff members will have retired between June 2009 and December 2014. Recommendation 5 remains open pending the development and launch of the tracking system to expedite and measure the recruitment process for the currently vacant posts and future open positions.*

Personnel administration in IMIS

29. All personnel actions related to UNJSPF staff are processed in the Integrated Management Information System (IMIS), maintained by the Office of Information and Communication Technology in the UN Secretariat. OIOS reviewed the list of users and their functional packages in IMIS and observed an instance where access rights with capabilities to approve and modify personnel and finance related actions, including approving and modifying withholding and release of salary, assignment periods, time and attendance, and disengagement/end of service, were assigned to a staff member whose functions were not compatible with the Executive Office functions. This was an isolated case and the audit did not find any instances of doubtful transactions in IMIS. However, insufficient monitoring and controls over user capabilities assigned to staff members may result in unauthorized actions that have a financial implication being recorded in IMIS.

Recommendation 6

(6) The UNJSPF management should develop and implement a policy for assigning IMIS access to users in accordance with their functions performed and require the Executive Officer to closely monitor authorized functional package capabilities assigned to every UNJSPF staff member.

30. *The UNJSPF management accepted recommendation 6 and stated that functional packages in IMIS will be proposed by the supervisor for the staff member, and will be reviewed and then authorized accordingly by the EO. No staff members outside of EO will be provided with the IMIS capability for HR functions, without the approval of CEO. Based on the action taken by the*

UNJSPF management to remove the excessive IMIS capabilities from the staff member, recommendation 6 has been closed.

Need for improved cross-training and knowledge transfer

31. A number of staff members who are beyond the mandatory age of retirement are serving at the Fund for long periods of time (six to 62 months). At the time of the audit, the Fund had six staff members who have retired from the United Nations system but were retained in service. The audit also found no evidence to show that management was requiring the long serving staff to develop and transfer their knowledge to junior staff, and to prepare documented desk procedures. This practice indicates that there may be insufficient cross-training and knowledge transfer from the long serving staff to newer, less experienced staff. OIOS was advised of this insufficient knowledge transfer during various audit interviews. There is a need for the Fund to address the issue of knowledge dissemination and on-the-job training.

32. OIOS further observed that no work plans and specific outputs had been formalized and agreed with the supervisors for four of the six staff members appointed beyond the mandatory age of retirement. Further, there were no formal performance evaluation reports for these four staff members. General Procedure 2009-76 issued by the CEO, sets out the requirements for conducting and documenting performance appraisals for all temporary staff. Section B of the General Procedure requires that work plans be developed and agreed upon as soon as the new staff member joins the work unit. The internal procedure also requires that all temporary staff members be appraised taking into consideration the nature and duration of the functions, in the form of an evaluation report.

Recommendation 7

(7) The UNJSPF management should establish a procedure requiring that all staff members employed by the Fund beyond the mandatory age of retirement have formalized work plans and specific outputs, including knowledge transfer requirements, agreed with the supervisors. Performance evaluations should be completed following each contract term. These plans and evaluations should be documented in the personnel records.

33. *The UNJSPF management accepted recommendation 7 and stated that the General Procedures issued in January 2009 provide an annex for the work plan and subsequent evaluation for temporary staff, to be completed by supervisors and managers.* Recommendation 7 remains open pending submission of the most recent work plan for staff employed beyond mandatory age of retirement with documented evidence of the knowledge transfer requirement.

Time and attendance

34. OIOS reviewed the approval of overtime and compensatory time off. Based on a randomly selected sample of 69 staff members, the audit found that all overtime and leave entitlements were duly authorized and appropriately supported by documentation in the files.

35. Annual leave records and balances of staff members have not been reconciled with the official attendance records in IMIS. OIOS obtained and reviewed attendance files of individual staff members maintained by the Executive Office and compared them to the official attendance records in IMIS. In several cases the audit noted discrepancies between the IMIS attendance records and the attendance records collected and maintained by EO from every section and unit of UNJSPF.

Recommendation 8

(8) The UNJSPF management should monitor and reconcile in IMIS the attendance records of all staff, retroactively, for 2007 and 2008 and confirm the leave balance with the staff members.

36. *The UNJSPF management accepted recommendation 8 and stated that the majority of cases have been finalized and management is following up on those cases to be completed.* Recommendation 8 remains open pending completion of the attendance reconciliation for all staff members by the Executive Office.

Personnel files exceptions

37. As part of the audit procedures, OIOS tested a random sample of 69 personnel files for content and organization. There were no defined requirements for personnel file documentation contents. As a result, information contained in the personnel files was inconsistent. A number of documents in select staff members' working files were misfiled or missing (e.g., PHP, PA, etc.). Lack of clear criteria for maintaining documents may result in inappropriate filing of documents in the personnel file and make it time consuming to locate the needed document.

Recommendation 9

(9) The UNJSPF management should develop and document criteria for the contents of personnel files outlining the list of documents to be stored in the personnel files of individual staff members, and ensure that the documentation retained in the personnel files is consistent across the Fund. Personnel files should be reviewed and updated according to the new standard.

38. *The UNJSPF management accepted recommendation 9 and stated that UNJSPF holds only working files for staff members. The Official Status File of each UNJSPF staff member is held in the Records Unit of OHRM. A list of the standard documentation will be provided to the auditors. The working documents will differ from file to file, depending on whether the staff member is transferred, is recruited temporarily, has been in the UN for a long period of time or is newly recruited. Recommendation 9 remains pending submission of documented criteria for the contents of personnel files by the UNJSPF management.*

C. Training, development and career management

Lack of formalized training plans for some units

39. Training is an important component of a successful human resources management system. Without assessing the training needs of the workforce, management would not be able to ensure that staff are provided with the necessary tools for optimal performance. OIOS noted that, while Information Management Systems Section (IMSS), the Legal Office and IMD had formalized their annual training plans for 2007-2008 and 2008-2009, there were no documented annual training plans for the Financial Service Section (FSS) and PECSS linked to individual performance appraisal systems and specific to the functions performed. The audit further observed that there was no formal procedure for identifying specific training needs of the personnel working in FSS and PECSS on a periodic basis. The need for training was also raised by some staff across the Fund through the survey conducted as part of the audit.

Recommendation 10

(10) The UNJSPF management should ensure that each functional unit formulates an annual training plan based on the identified training needs of staff and linked to the PAS of each staff member, including external technical training and competency training offered by the OHRM. Management should establish procedures to track the implementation of the approved training plans on a periodic basis as prescribed by Administrative Instruction ST/AI/1997/4.

40. *The UNJSPF management accepted recommendation 10 and stated that supervisors in consultation with Senior Management and staff members are to identify and document training needs clearly in each staff member's e-PAS. Functional Units will monitor or continue monitoring implementation. Based on the action taken by the UNJSPF management, recommendation 10 has been closed.*

Completion of UN mandatory training needs monitoring

41. OIOS observed low completion rates for mandatory OHRM training courses. The table below demonstrates the training completion rates for the 69 randomly selected personnel files reviewed:

Training description	Completion certificates	Total sampled	Percentage
Orientation and Prevention of Workplace Harassment	2	69	3%
Ethics Orientation	3	69	4%
Integrity Awareness	4	69	6%
Basic Security in the Field: Staff Safety, Health and Welfare (BSITF)	15	69	22%

42. The Fund did not adequately monitor completion of UN mandatory training by staff members. UN mandatory courses provide guidance on appropriate action to take to ensure and maintain integrity, professionalism and competencies as international civil servants. Therefore without adequate monitoring of the completion of these courses, management cannot ensure that staff possess the skills and are trained as mandated by the rules of the Organization.

Recommendation 11

(11) The UNJSPF management should actively monitor the completion of mandatory UN training courses by staff members and file the certificates of completion in the respective personnel files.

43. *The UNJSPF management accepted recommendation 11 and stated that an online survey has been provided to all staff for monitoring of completion. All staff have been provided with online mandatory courses and asked to register for workshop courses. Courses still to be completed will be documented on ePAS. Based on the action taken by the UNJSPF management, recommendation 11 has been closed.*

D. Performance measurement and evaluations

Staff performance evaluations

44. OIOS observed that not all performance appraisals were completed and signed-off on a timely basis. According to information provided by the Fund, as of 19 January 2009, 42 of 164 (approximately 26 per cent) performance appraisals for 2007-2008 were not completed. This represents 203 days after the end of the cycle. Also, as of 19 January 2009, the mid-year review was not completed for 85 of 118 (approximately 72 per cent) performance appraisals for 2008-2009. Furthermore, according to the survey conducted as part of the audit, more than one-third of the staff did not have an end of cycle discussion with their first reporting officers. Performance appraisal system (PAS) is a management tool used to link individual work plans to the overall programme of work of departments and offices, and to set goals and performance standards using the United Nations core competencies, plan work in advance and provide ongoing feedback. The PAS also helps to identify training opportunities, assists in

planning career development, enhances and encourages staff development and continuous learning, and fosters teamwork.

Recommendation 12

(12) The UNJSPF management should ensure that performance appraisals are completed for all staff across the Fund on a timely basis and require that first reporting officers have a meeting with each staff member to discuss the results of their performance at the mid-year and end of each performance evaluation cycle.

45. *The UNJSPF management accepted recommendation 12 and stated that compliance monitoring will be continued with provision of statistical and individual feedback to Senior Management, with a focus on timely completion of ePAS. Based on the action taken by the UNJSPF management, recommendation 12 has been closed.*

E. Financial disclosure and declaration of interest statements

46. In accordance with the conditions of Section 2.1 (c) of ST/SGB/2006/6, staff members whose principal occupational duties relate to the investment of the assets of the United Nations, the UNJSPF or of any accounts for which the UN has fiduciary or custodial responsibility must file annual financial disclosure or declaration of interest statements. The financial disclosure program is an important component of the mission of the Secretary General to maintain and enhance public trust in the integrity of the UN. The primary purpose of requesting staff members to submit financial disclosure statements is to identify and propose ways to resolve conflict of interest situations arising from their holdings (i.e. assets, investments) and/or activities. OIOS reviewed the list of staff members required to file annual financial disclosure statements and concluded that the requirement for the 2007 annual filing of the financial disclosure statements was satisfied.

F. Complaints, grievances and resolution process

47. OIOS observed that during the period under audit, there were three cases of staff complaints/grievances, which represented less than two per cent of total staff employed by the Fund. One case related to a staff member rebutting the performance appraisal, one case involved a grievance on a perceived unfair promotion practice, and another case related to the non-renewal of a fixed term appointment. The PAS rebuttal case was resolved in accordance with the staff rules. On the latter case, the Administrative Law Unit ruled that the UNJSPF management had acted in conformity with the UN Staff Regulations and Rules.

48. The audit noted that the staff-management consultative machinery was not properly functioning at the Fund. There is currently an issue in the United Nations Staff Union as a result of the Staff Union Polling Officers' decision that

the UNJSPF is not part of the Secretariat of the United Nations. The Polling Officers had determined, from the Secretary-General's reports, that staff members of UNJSPF were not part of the Secretariat and were therefore not eligible to partake in the electoral process either as candidates or as nominators to stand for positions of staff representatives in the forty-third Staff Council. This decision appears to contradict the conditions of the Memorandum of Understanding with respect to United Nations personnel procedures applicable to the UNJSPF signed between the Fund and the Office of Human Resources Management (OHRM) of the United Nations Secretariat on 30 June 2000, which states that the staff of the UNJSPF are appointed by the Secretary-General and hold UN appointments, are entitled to all UN benefits and entitlements, and are subject to the UN Staff Rules.

Recommendation 13

(13) The UNJSPF management should consult and clarify with the Secretary-General the status of the UNJSPF personnel with respect to their representation and participation in the staff-management activities, given that the UN Staff Union Polling Officers in New York decided that UNJSPF was not part of the "Secretariat," and therefore were not eligible to partake in the Staff Union activities.

49. *The UNJSPF management did not accept recommendation 13 and stated the UNJSPF management believes strongly in staff - management relations and consultative process and it is committed in holding regular meetings with the UNJSPF staff representatives. The management could not, however, accept recommendation 13, as it did not want to be perceived as interfering in internal union matters. Neither the Fund management, nor the Secretary-General nor USG for Management, would be able to implement this recommendation which concerns the participation of the UNJSPF staff in the Staff Union elections. These are internal union matters, and the local Units and Staff Council act on the basis of their own Statute and Regulations, as well as past practice. We understand that the decision of the Polling Officers has been challenged and therefore any intervention by management could be perceived negatively. The matter should be pursued, not by management but by the Staff representatives of the Fund, in order to ensure that UNJSPF staff members can equally enjoy representation and participation in the organizational staff-management activities, given their contractual status under UN Staff Rules and Regulations and the past history of participation. This may involve legal interpretation, but that is up to the Union (or UNJSPF Unit) to seek, including with outside legal assistance if needed. Consequently, as the recommendation should be directed to the UNJSPF Staff Union (Unit) and not the UNJSPF management, the Fund is of the opinion that this recommendation does not fall within the purview of HR management, per se.*

50. OIOS notes the UNJSPF management's response but points out that staff representation is an integral part of the staff management relations process. As the decision made by the polling officers to exclude UNJSPF from the Staff

Council participation was based on the Secretary General's report, a clarification from the Office of the Secretary General should be sought. Recommendation 13 is reiterated and remains open pending receipt of a copy of the official communication to the Secretary General seeking to clarify the status of the UNJSPF personnel with respect to their representation in the Staff Union.

V. ACKNOWLEDGEMENT

51. We wish to express our appreciation to the Management and staff of UNJSPF for the assistance and cooperation extended to the auditors during this assignment.

STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
1	The UNJSPF management should document all exceptions from the UN human resources policies and procedures in the UNJSPF human resources policy document.	Compliance	332	O	UNJSPF HR policy document.	12/02/2010
2	The UNJSPF management should encourage personnel involved in financial positions to take an uninterrupted annual leave period of two weeks in each year.	Human Resources	825	C	Based on the action taken by the UNJSPF management, recommendation has been closed.	Ongoing
3	The UNJSPF management should formalize the composition of the strategic workforce planning team and establish the milestone dates for achievement of the exercise. This workforce planning exercise should encompass a strategic approach to succession planning.	Strategy	330	O	Minutes of the most recent Working Group meeting held during 2009.	Ongoing
4	The Executive Office of UNJSPF should maintain a consolidated staffing document and periodically reconcile the number and level of authorized posts by functional unit and incumbency status to the information maintained in IMIS.	Human Resources	335	O	Consolidated staffing document.	30/08/2009
5	The UNJSPF management should develop and communicate management action plans to expedite and measure the recruitment process for the currently vacant posts and future open positions in accordance with the UN HR guidelines, with additional focus being placed on gender parity.	Human Resources	335	O	Communication on the development and launch of the tracking system to expedite and measure the recruitment process for the currently vacant posts and future open positions.	30/10/2009
6	The UNJSPF management should develop and implement a policy for assigning IMIS access to users in accordance with their	Human Resources	825	C	Based on the action taken by the UNJSPF management, recommendation has been closed.	Implemented

7	<p>functions performed and require the Executive Officer to closely monitor authorized functional package capabilities assigned to every UNJSPF staff member.</p> <p>The UNJSPF management should establish a procedure requiring that all staff members employed by the Fund beyond the mandatory age of retirement have formalized work plans and specific outputs, including knowledge transfer requirements, agreed with the supervisors. Performance evaluations should be completed following each contract term. These plans and evaluations should be documented in the personnel records.</p>	Human Resources	826	O	<p>Most recent work plan for staff employed beyond mandatory age of retirement with documented evidence of the knowledge transfer requirement.</p>	30/10/2009
8	<p>The UNJSPF management should monitor and reconcile in IMIS the attendance records of all staff, retroactively, for 2007 and 2008 and confirm the leave balance with the staff members.</p>	Human Resources	335	O	<p>Completion of the attendance reconciliation for all staff members by the Executive Office.</p>	30/10/2009
9	<p>The UNJSPF management should develop and document criteria for the contents of personnel files outlining the list of documents to be stored in the personnel files of individual staff members, and ensure that the documentation retained in the personnel files is consistent across the Fund. Personnel files should be reviewed and updated according to the new standard.</p>	Human Resources	325	O	<p>Documented criteria for the contents of personnel files.</p>	15/09/2009
10	<p>The UNJSPF management should ensure that each functional unit formulates an annual training plan based on the identified training needs of staff and linked to the PAS of each staff member, including external technical training and competency training offered by the OFIRM. Management should establish procedures to track the implementation of the approved training plans on a periodic basis</p>	Human Resources	335	C	<p>Based on the action taken by the UNJSPF management, recommendation has been closed.</p>	Implemented

	as prescribed by Administrative Instruction ST/AI/1997/4.						
11	The UNJSPF management should actively monitor the completion of mandatory UN training courses by staff members and file the certificates of completion in the respective personnel files.	Human Resources	335	C	Based on the action taken by the UNJSPF management, recommendation has been closed.	Implemented	
12	The UNJSPF management should ensure that performance appraisals are completed for all staff across the Fund on a timely basis and require that first reporting officers have a meeting with each staff member to discuss the results of their performance at the mid-year and end of each performance evaluation cycle.	Human Resources	335	C	Based on the action taken by the UNJSPF management, recommendation has been closed.	Implemented	
13	The UNJSPF management should consult and clarify with the Secretary-General the status of the UNJSPF personnel with respect to their representation and participation in the staff-management activities, given that the UN Staff Union Polling Officers in New York decided that UNJSPF was not part of the "Secretariat," and therefore were not eligible to partake in the Staff Union activities.	Human Resources	335	O	Reconsideration by UNJSPF of its initial position on this issue. Official communication to the Secretary General seeking to clarify the status of the UNJSPF personnel with respect to their representation.	Not provided	

1. C = closed, O = open
2. Date provided by UNJSPF in response to recommendations.

ANNEX 2

*Use this page if the orientation of Annex 2 is portrait. If the orientation is landscape, insert a section break at the end of Annex 1 and continue on the new page. (On the **Insert** menu, point to **Break**, select **Next page** under **Section break types**.) Leave the page blank if not required; do not delete it.*