



Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

Recruitment of international and national staff in UNSOA

Vacancy rates were initially high due to unfavourable conditions of service for staff serving in UNSOA, and delays in the recruitment process due to lack of experienced staff

25 February 2011

Assignment No. AP2010/638/05

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. Craig Boyd, Director
A: United Nations Support Office for AMISOM

DATE: 25 February 2011

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

REFERENCE: IAD: 11-00244

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SUBJECT: **Assignment No. AP2010/638/05 - Audit of recruitment of international and national staff in UNSOA**
OBJET: **UNSOA**

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 1, 3 and 4 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. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendation 2), in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Elijah Karambizi, Deputy Director, UNSOA
Ms. Cecilia McGill, Chief Administrative Services, UNSOA
Ms. Ellen Aamodt, Senior Administrative Officer, UNSOA
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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

Audit of recruitment of international and national staff in UNSOA

The Office of Internal Oversight Services (OIOS) conducted an audit of recruitment of international and national staff in the United Nations Support Office for AMISOM (UNSOA). The overall objective of the audit was to assess the adequacy and effectiveness of internal controls over the recruitment of staff. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

In general, internal controls were in place and operating effectively to ensure the recruitment of international and national staff in UNSOA met set objectives and in compliance with relevant policies and procedures.

During the fiscal year 2009/2010, UNSOA faced challenges to fill its vacant posts due to the unfavorable conditions of service as compared to those staff serving in peacekeeping missions and United Nations staff co-located with UNSOA in Nairobi. However, effective 1 July 2011, the General Assembly has approved the designation of UNSOA as a family mission, which should address the inequity of the conditions of service.

There were significant delays in the recruitment of international staff, particularly at the inception of UNSOA. This was partly due to the lack of resources and capacity of staff allocated the responsibility for recruitment. Nonetheless, vacancy rates as of November 2010 have fallen to 25 per cent compared to 44 per cent as of July 2010.

Due to the high vacancy rate, UNSOA was proactive in hiring consultants and individual contractors to implement the work plan. However, there was no internal policy for establishing criteria for the continued use of consultants and individual contractors. Also, the terms of reference for consultants and individual contractors were not clear on their tangible and measurable outputs of work assignments and performance indicators for evaluation of results.

OIOS made four recommendations to address the issues identified in the audit and to strengthen internal controls over the recruitment process.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of recruitment of international and national staff in the United Nations Support Office for AMISOM (UNSOA). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. The Security Council, through its resolution 1863 on 16 January 2009, requested the Secretary-General to provide logistical support to the African Union Mission in Somalia (AMISOM) to enable it to conduct peacekeeping operations in Mogadishu. This was in support of an authorized strength of 8,000 military contingents and 270 police officers of AMISOM. The support package include but not limited to: rations, fuel, transport, general supplies, aviation, engineering, communications and information technology, control of the movement of equipment and supplies and medical services.
3. The staffing resources authorized for UNSOA for the year 2009/2010 and 2010/2011 was 240 posts (142 internationals and 98 nationals) and 249 posts (145 internationals and 104 nationals), respectively. The overall vacancy rate was at 86 per cent as of 1 July 2009 and 44 per cent as of 1 July 2010. As of November 2010 it had been reduced to 25 per cent.
4. Comments made by UNSOA are shown in *italics*.

II. AUDIT OBJECTIVES

5. The main objective of the audit was to assess the adequacy and effectiveness of internal controls over the recruitment of international and national staff process.

III. AUDIT SCOPE AND METHODOLOGY

6. This audit covered the fiscal year 2009/2010, and encompassed the recruitment of international and national staff, as well as measures taken by UNSOA to avail of temporary resources such as the use of individual contractors, consultants and short-term staff.
 7. The audit methodology included interviews and discussions with UNSOA staff involved in the recruitment process; and review of records and reports made on recruitment and vacancy rates including measures taken to reduce them. The recruitment process was tested to assess compliance with established United Nations Staff Rules and UNSOA's standard operating procedures (SOPs).
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IV. AUDIT RESULTS

A. Human resources targets and strategies

Recruitment strategy

8. To expedite the recruitment process and reduce the staff vacancy rate, the Department of Field Support (DFS) delegated recruitment authority and responsibility to the Director of UNSOA for all positions up to and including the D-1 level. This delegation also includes the responsibility for the recruitment of National Professional Officers.

9. To undertake a rigorous recruitment exercise during the startup phase, UNSOA established a Recruitment Cell to manage the recruitment process and to liaise with DFS. As a transitional measure and in consideration of operational requirements to expeditiously fill vacant posts in field missions, the Office of Human Resource Management (OHRM) agreed to issue one-year fixed-term appointments pending Field Central Review Board (FCRB) review.

10. SOPs issued by the Field Personnel Division (FPD), DFS were used as guidance for the recruitment, selection and on-boarding of candidates. Vacancies were announced according to these procedures and candidates were also shortlisted for interviews from the lists provided by DFS.

11. As per the vacancy management performance indicators established by DFS in February 2008 in the Human Resource Action Plan (HRAP) for missions, the target set for a start up mission was to achieve 20 per cent vacancy rate for international staff and 10 per cent vacancy rate for national staff. As of November 2010, the vacancy rate was still falling short of the established target by 10 per cent for international and 9 per cent for national staff. See Table 1 below.

Table 1: Vacancy rates during the period 1 July 2009 to 30 November 2010

Month	International		National	
	Total posts authorized	Vacancy Rate	Total posts authorized	Vacancy rate
July 2009	142	78%	98	98%
February 2010	142	75%	98	57%
July 2010	145	48%	104	39%
November 2010	145	30%	104	19%

Inability to achieve targets

12. During the fiscal year 2009/2010, UNSOA had difficulties in attracting qualified and experienced candidates. The main reason attributed to this was the lack of incentive due to the conditions of service as compared to other peacekeeping missions. For example, the post adjustment was the lowest (34.7

per cent) compared to other missions, and it was not classified as a family duty station even though UNSOA was co-located with other United Nations Offices in Nairobi and funds and programmes, for which Nairobi was a family duty station. Moreover, while rest and recuperation (R&R) was an entitlement in most other non-family duty stations, it was not approved for UNSOA staff.

13. Due to the lack of incentives, there were a number of cases of qualified candidates declining to be interviewed and also selected candidates rejecting an offer of appointment. For example, from our sample of 20 recruitment files for international posts, 114 candidates were shortlisted and contacted, of which 14 candidates for five posts declined to be interviewed. Also, for the year 2009/2010, there were 76 recruitments of international staff, and from these there were 41 cases of persons rejecting offers. During the current fiscal year, it has improved. As of November 2010, from the 27 recruitments, there were three candidates that declined offers. In all cases the post was subsequently filled.

14. The differences in the conditions of service, and ensuing difficulties faced by UNSOA in attracting and retaining staff have now been mainly addressed. General Assembly resolution 65/248 dated 31 January 2011, has approved the designation of UNSOA as a family mission, effective 1 July 2011. The harmonization should impact favourably on the ability of UNSOA to meet its vacancy rate targets.

Delays in recruitment process

15. The vacancy management performance indicators established by DFS under the February 2008 HRAP for missions, set the selection time for international and national posts to an average of 75 days from the identification of a vacancy to the reporting date of the selected candidate.

16. OIOS selected a sample of 40 recruitment files comprising 20 international staff files and 20 national staff files for which the recruitment cycle had been completed. An analysis of the average time taken to complete the recruitment process from the date the interview was concluded to the date the selected candidates reported for duty was 80 days for national staff and 177 days for international staff. Hence, there was a recruitment time-lag of 5 days for national staff and 102 days for international staff.

17. Further analysis showed that the main delays in the recruitment process of international staff related to the time taken to draft and process interview reports and prepare submissions for FCRB, which took on average 47 days, and the time taken for FCRB to complete its review and to endorse the case, which was an average of 102 days.

18. UNSOA attributed some of the delays to the lack of experienced staff assigned to the recruitment function. The Recruitment Cell started operations in May 2009 with three international staff on temporary duty (TDY), assisted by three local individual contractors. The individual contractors lacked adequate experience in staff recruitment and United Nations regulations, rules and policies.

19. The lack of capacity dedicated to recruitment allowed administrative and procedural errors to occur and thus created delays in the FCRB review and endorsement process. Some of the reasons given by the FCRB for the initial rejection of submissions included:

- The use of mission specific criteria to narrow down the list of interviewed candidates.
- The use of nationality as search criteria.
- Not all qualified candidates were given due consideration.
- Candidates were eliminated based on criteria not stated in the vacancy announcement.
- Recommended candidates did not possess the required academic qualifications.
- The composition of the Interview Panel members was not in compliance with established criteria.

The above have been noted as lessons learned by the Recruitment Cell, and action has been taken to ensure these errors are not repeated.

Impact of the high vacancy rate

20. In general, the respective service chiefs acknowledged that the high level of vacancies have overstretched staff and thus their ability to implement the current workload. This in turn has resulted in a stressful working environment impacting on staff morale, and affecting at times, the quality of outputs. Sections including finance, procurement, property management and logistics, with a high vacancy rate have been experiencing delays in discharging their functions.

21. Senior positions vacant as at 15 December 2010 included the Chief Procurement Officer and the Chief Information Technology Officer. The absence of these programme managers in the long term will impact the effectiveness of UNSOA to implement its mandate.

22. As for the Mombasa Support Base that serves as the main centre for logistical support to AMISOM in Mogadishu, 86 posts were approved but only 50 have been filled leaving a vacancy rate of 42 per cent. Functions affected in terms of efficiency of operations include property disposal, safety and security, communications and information technology, assets and material management.

23. At the end of the fiscal year 2009/2010, an amount of \$26 million pertaining to construction services remained unencumbered. UNSOA explained that this was due to the lack of staffing resources to prepare a statement of works and to undertake procurement processes in a timely manner. In September 2010, the Procurement Section stated that six projects valued at \$21 million have been facing delays at various stages of the procurement process due to positions left vacant after staff departures and reassignments.

24. As UNSOA is making considerable efforts to address the high vacancy rate, no recommendation has been made.

B. Recruitment and promotion policies and procedures

Compliance with regulations and rules on recruitment

25. From the selected sample of 40 recruitment files, the recruitment process was conducted in compliance with United Nations Staff Regulations and Rules, policies and procedures. Discrepancies noted and reported by the FCRB as stated in paragraph 20 above were promptly rectified by the UNSOA Recruitment Cell.

Completeness of documentation in recruitment files

26. OIOS tested the completeness of documentation in the recruitment files to ensure all the relevant documents were on file. The review of the sampled files showed that there were some missing documents pertaining to the recruitment process. There were 12 cases of requests for recruitment from the programme managers not filed; eight cases of interview reports completed by the Interview Panel members not filed; and another eight cases of interview reports filed but not signed by the Interview Panel members.

27. The incomplete documentation was mainly due to the administrative shortfalls within the Recruitment Cell where responsibility had not been assigned to any specific person to ensure that all documents were properly filed in the respective recruitment files. The delay in filing documents may lead to them being misplaced and result in the loss of audit trail to support the validity of the recruitment process.

Recommendation 1

(1) The UNSOA Management should ensure that all documents relating to the recruitment process are properly filed in the recruitment files to ensure there is an adequate audit trail to support the validity of the recruitment process.

28. *The UNSOA Management accepted recommendation 1 and stated that the necessary measures have been implemented. This included the completion of a checklist at each step in the recruitment process, as well as a system to track the process.* Based on the action taken, recommendation 1 has been closed.

C. Contingency plans (use of consultants, short-term staff and retirees)

29. To reduce the high vacancy rate and ensure that UNSOA continue critical operations, Management resorted to short term measures to use staff on 90 days temporary duty (TDY) from other missions, as well as to hire individual contractors and consultants.

Staff on temporary duty

30. During the year 2009/2010, there were 75 staff members from other missions on TDY for a three month period. This temporary assistance greatly helped UNSOA during its start up phase. However, when the staff returned to their respective mission, there was no proper handover of completed and pending tasks diminishing the effectiveness of the work of the staff assigned. For the future, UNSOA should ensure that proper handover notes are prepared by staff on TDY. As UNSOA's reliance on staff on TDY has significantly reduced, no recommendation has been made.

Consultants and individual contractors

31. General policy guidelines on hiring consultants and individual contractors are included in the United Nations Administrative Instruction (ST/AI/1999/7) dated 25 August 1999. It provides that consultants and individual contractors: (a) may be hired only when the assignment is of a temporary nature and the tasks capable of being performed within a limited and specified period of time; (b) may be hired for the lack of specialized knowledge and expertise within the organization; (c) shall have clear and specific terms of reference and tangible and measurable outputs of work assignments and performance indicators for evaluation of results; and (d) mandatory evaluation upon completion of assignment regardless of duration or after six months of service. The guideline also states that while individual contractors can perform functions similar to those of staff members, consultants shall not perform functions of staff members and both of them shall not have any representative or supervisory responsibilities.

32. OIOS sampled 24 files (7 consultants and 17 individual contractors) out of a total of 33 files (7 consultants and 26 individual contractors) to determine whether their engagement was in compliance with the above Administrative Instruction. The exceptions noted were as follows:

- In five cases, contracts of individual contractors were renewed without a performance appraisal being done. The guidelines require mandatory performance evaluations to be done upon completion of an assignment regardless of duration or after six months of service.
- An international individual contractor was hired to undertake clerical work in the Recruitment Cell, and was subsequently reassigned as an Administrative Assistant to the Chief of Administrative Services. For justification, the Head of the Recruitment Cell certified that *"the work has not been done previously, that it cannot be done by regular staff because it requires expertise, special skills or knowledge not normally possessed by regular staff."* Had a national individual contractor been appointed to discharge the same function, UNSOA could have saved daily subsistence allowance totalling \$43,065 for the nine months duration in service.
- The seven consultants appointed to work in Mogadishu did not have clear and specific terms of reference and tangible and measurable outputs

of work assignments and performance indicators for evaluation of results. The general terms of reference given states “support AMISOM”, “advice AMISOM” and “impart knowledge and empower AMISOM in Mogadishu”. Such general terms of reference without clearly stipulating the measurable outputs and key performance indicators will pose difficulties in doing the mandatory evaluations.

33. Despite the gradual improvements in the overall vacancy rate from 86 per cent in July 2009, 44 per cent in July 2010 and 25 per cent in November 2010, UNSOA continues to hire individual contractors and consultants. Expenditure incurred for the year 2009/2010 was \$567,400. Expenditure for the first six months of the fiscal year 2010/2011 was \$468,000.

34. There was no internal policy issued to programme managers to set criteria and justification for their continuous use of individual contractors and whether they should deploy international or national individual contractors. Long-term use of individual contractors to perform functions similar to those of staff members impact on UNSOA’s ability to develop United Nations staff, in particularly national staff on logistical and technical support areas.

35. The delegation of authority and responsibility to recruit international consultants and individual contractors was granted to Heads of Mission by DFS in a facsimile dated 24 October 2008. For the purpose of monitoring the delegation of authority, missions are required to submit semi-annual reports to FPD, DFS on the recruitment of consultants and individual contractors. UNSOA had not complied with the directive.

Recommendations 2 to 4

The UNSOA Management should:

(2) Establish criteria and justifications for the continuous use of individual contractors to ensure that they are hired only when the assignment is of a temporary nature and to fulfill the lack of specialized knowledge and expertise.

(3) Ensure that the terms of reference for consultants and individual contractors are specific and measurable with key performance indicators and the mandatory evaluation done prior to the renewal of their contracts.

(4) Ensure that semi-annual reports on the deployment of consultants and individual contractors are submitted to the Department of Field Support to enable it monitor the delegation of authority on the recruitment of consultants and individual contractors.

36. *The UNSOA Management accepted recommendation 2 and stated that a Committee to review requests/justification for hiring individual contractors was set up. The Committee ensures that the assignment is of a temporary nature and*

obtains Budget's and Director's approvals before contracts are entered into. Recommendation 2 remains open pending the establishment of internal criteria and justification for the continuous use of individual contractors.

37. *The UNSOA Management accepted recommendation 3 and stated that the Human Resources Section will ensure that the Supplementary Data for a Consultant/Individual Contractor Contract (P.104) states the specific and measurable key performance indicators. These indicators will be used to measure the performance of the individual contractors and consultants upon the completion of their contracts. Based on the action taken, recommendation 3 has been closed.*

38. *The UNSOA Management accepted recommendation 4 and provided evidence of submission of semi-annual reports on the recruitment of consultants and individual contractors to DFS. Based on the action taken, recommendation 4 has been closed.*

V. ACKNOWLEDGEMENT

39. We wish to express our appreciation to the Management and staff of UNSOA 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 UNSOA Management should ensure that all documents relating to the procurement process are properly filed in the recruitment files to ensure the presence of an audit trail to support the validity of the recruitment process.	Compliance	Medium	C	Action taken	Implemented
2	The UNSOA Management should establish the criteria and justifications for the continuous utilization of individual contractors to ensure that they are hired only when the assignment is of a temporary nature and to fulfill its lack of specialized knowledge and expertise.	Governance	High	O	Establishment and submission to OIOS the internal criteria and justification for the continuous utilization of individual contractors.	30 June 2011
3	The UNSOA Management should ensure that the terms of reference for consultants and individual contractors are specific and measurable with key performance indicators and the mandatory evaluation done prior to the renewal of their contracts.	Compliance	High	C	Action taken	Implemented
4	The UNSOA Management should ensure that semi-annual reports on the deployment of consultants and individual contractors are submitted to the Department of Field Support to enable it monitor the delegation of authority on the recruitment of consultants and individual contractors.	Compliance	Medium	C	Action taken	Implemented

1. C = closed, O = open

2. Date provided by UNSOA in response to recommendations.