



INTERNAL AUDIT DIVISION

AUDIT REPORT

Management of human resources in UNDOF

The Mission needs to improve compliance with established procedures in staff selection, hiring of individual contractors and designation of staff members with key fiduciary responsibilities

22 July 2011
Assignment No. AP2011/670/01

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INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

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

TO: Major General Natalio C. Ecarma
A: Force Commander and Head of Mission
United Nations Disengagement Observer Force

DATE: 22 July 2011

REFERENCE: IAD: 11- 00498

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

Fatoumata

SUBJECT: **Assignment No. AP2011/670/01 – Audit of management of human resources in UNDOF**
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 have closed recommendation 2. 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 in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Bernard Lee, Chief of Mission Support, UNDOF
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit
Mr. Mario Baez, Chief Policy and Oversight Coordination Service, DM
Mr. Byung-Kun Min, Special Assistant to the USG-OIOS
Ms. Eleanor T. Burns, Chief, Peacekeeping Audit Service, OIOS
Ms. Amy Wong, Programme Officer, Internal Audit Division, 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

Management of human resources in UNDOF

The Office of Internal Oversight Services (OIOS) conducted an audit of management of human resources in the United Nations Disengagement Observer Force (UNDOF). The objective of the audit was to assess the adequacy and effectiveness of internal controls over the management of human resources.

The Mission needs to improve compliance with established procedures in staff selection, hiring of individual contractors and designation of staff members with key fiduciary responsibilities.

In most cases reviewed by OIOS, the Mission did not establish criteria for evaluating candidates to ensure a fair and consistent recruitment process. For locally recruited staff, no reference checks were done.

UNDOF Management approved a large number of temporary duty assignments (TDY) of mission staff, some of which were beyond the 90 days limit, and overstretched its resources. The approval of TDY was done without adequately considering the impact on the Mission's operations.

Individual contractors were not hired in compliance with the appropriate administrative instruction. They were not selected competitively and on the basis of terms of reference, and their performance was not evaluated prior to payment.

OIOS made four recommendations to address the issues identified during the audit to further strengthen internal controls and to improve human resources management in UNDOF.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the human resources management in the United Nations Disengagement Observer Force (UNDOF). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. UNDOF's staffing table for the financial year 2010-2011 contains 156 posts comprising of 48 international and 108 national posts respectively. The Head of Mission has the delegation of authority to recruit staff up to the D-1 level. This authority is sub-delegated to the Chief of Mission Support (CMS).
3. The Personnel Section in UNDOF was headed by the Chief Civilian Personnel Officer (CCPO) at the P-4 level and was assisted by one international and five national staff.
4. Comments made by UNDOF are shown in *italics*.

II. AUDIT OBJECTIVE

5. The objective of the audit was to assess the adequacy and effectiveness of internal controls over the management of human resources.

III. AUDIT SCOPE AND METHODOLOGY

6. The audit covered the period from 1 July 2008 to 31 December 2010 and included the human resources targets established by the Mission as well as recruitment and promotion policies and procedures. The audit did not include a review of staff entitlements and staff development.
7. The audit methodology included interviews and discussions with UNDOF staff involved in the recruitment and promotion process and the human resources targets and strategies, as well as a review of records and reports made on the management of human resources. The recruitment and promotion process was tested to assess compliance with established United Nations Staff Rules, the Department of Field Support's Human Resources Handbook, administrative instructions and standard operating procedures.

IV. AUDIT RESULTS

A. Human resources targets and strategies

Management of vacancies

8. During the audit period, due to a high turnover in the management team, there were delays in the recruitment process. Nonetheless, as of March 2011, the vacancy rate was reduced to 6 per cent, well within the HRAP target of 18 per cent.
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9. The Mission informed OIOS that it will put a strategy in place to enable it to report on its workforce planning. This will be in addition to its weekly vacancy monitoring matrix tracking system.

Temporary duty assignments

10. During the period, the Mission approved 29 temporary duty assignments (TDY), for which 8 were extended beyond the 90-day limit. This was done without adequately considering the impact on the Mission's operations. Due to the extensive use of TDY, staff resources were overstretched, as existing staff had to cover the duties of 23 out of the 29 TDY cases.

Recommendation 1

(1) UNDOF should review the use of temporary duty assignments to ensure that it meets the criteria stipulated in the instructions provided by the Department of Field Support and that full consideration be given to the Mission's operational requirements before the release of staff.

11. *UNDOF accepted recommendation 1 and stated that the Mission is reviewing and monitoring future TDY to ensure that it meets the established procedures and due consideration is given to operational requirements when approving staff to go on TDY. This will be formalized through a memorandum to programme managers.* Recommendation 1 remains open pending receipt of a copy of the results of the review of TDY, as well as a copy of the memorandum sent to programme managers to ensure operational requirements are properly considered before TDY is approved.

B. Recruitment and promotion policies and procedures

Review of recruitment and promotion cases

12. From a sample of 21 out of 30 (12 international and 9 national) of the recruitment cases undertaken during the period, the internal controls over the recruitment process were not properly applied:

- No reference checks were done for externally-recruited national staff, as responsible staff members were not aware of this requirement.
- In 20 cases, criteria for evaluating candidates were not established and therefore, there was no clear basis for eliminating candidates from shortlists. In three international recruitments, external candidates were taken off the shortlists simply because they were external candidates, even though the vacancy was open to both internal and external candidates.
- In one case, none of the 45 technically cleared female candidates for a position as a security officer were shortlisted.

Recommendation 2

(2) UNDOF should ensure that all stages in the recruitment process are properly documented and carried out in compliance with United Nations recruitment procedures.

13. *UNDOF accepted recommendation 2 and stated that the Mission is monitoring each stage of the recruitment process as per in the Staff Selection Process in ST/AI/2010/03. Recommendation 2 has been closed based on assurances provided by Management that the internal controls over the recruitment process has been strengthened.*

14. In one recruitment case, the selected candidate was not among the shortlisted candidates for interview for a General Service Clerk post. This post had been previously filled by a relative of the staff member. Although the family relationship had not been disclosed in the Personal History Profile it was known to the Personnel Section.

Recommendation 3

(3) UNDOF should conduct an internal review of the recruitment process for post number G-4-016R (SM1234) and if necessary take action to ensure procedures over the recruitment process are improved.

15. *UNDOF accepted recommendation 3 and stated that the Mission will appoint an independent committee to carry out a review of the case and report any lapses by 31 August 2011. Recommendation 3 remains open pending receipt of a copy of the report outlining the results of the internal review and actions taken by the Mission.*

Designation of staff members performing significant functions

16. Staff members performing significant functions in the management of human, financial and physical resources must be designated by the Department of Management (DM) after verification that the staff member has the necessary experience and qualifications to perform the function. The CMS and all heads of sections require designation since they are responsible for performing significant functions in the management of human, financial and physical resources.

17. DM did not approve the request of the Mission to designate the staff member who was performing the functions of the CCPO. The staff member was acting in this capacity since August 2010 after being selected through a temporary vacancy announcement. Additionally, there were no records that the designation of the serving chiefs of Finance, General Services and Communication and Information Technology had been approved by DM. The Mission should have followed up with DM through DFS, but this was not done. The letters of appointment for staff members performing significant functions stated that their appointments were subject to their designation.

Recommendation 4

(4) UNDOF, with the assistance of the Department of Field Support, should complete the designation of staff that are required to perform significant functions in the management of financial, human and physical resources.

18. *UNDOF accepted recommendation 4 and stated that it will follow up with DFS for designations of its key staff. For the case of the CCPO whose designation has been denied by DM, the Head of Mission had written to DFS for guidance.* Recommendation 4 remains open pending receipt of the approved designations for staff performing significant functions in the management of financial, human and physical resources.

Recruitment of individual contractors

19. OIOS sampled 9 of 14 cases of Individual Contractors (ICs) engaged during the audit period. OIOS assessed that the internal controls over the hiring and management of contractors were not properly applied:

- None of the Terms of Reference (TOR) for ICs specified the objectives and targets, performance indicators and measurable outputs for evaluating their work.
- At the end of the assignment, no evaluation of ICs work was done prior to approving the final payments.
- The selection process was not competitive as only one candidate was presented by the Personnel Section to the respective programme managers and subsequently hired. The Personnel Section informed OIOS that more than one candidate was presented to the programme manager, but this was not documented.

20. After being informed of these weaknesses in controls, the Mission established procedures and provided guidelines to section chiefs on hiring ICs. Also, TORs were established, and payments to ICs are made based on an evaluation of the work performed.

Oversight over the performance management process

21. The Mission had established a Management Review Committee (MRC) and a Joint Monitoring Committee (JMC) to assist the Head of Mission in ensuring consistency of all phases of the electronic performance appraisal system (e-PAS) process. The committees were established in August 2008; however, no meetings had been convened.

22. Moreover, the Special Committee on Peacekeeping Operations (A/59/19/Add.1) recommended that the responsibility for creating and maintaining an environment that prevents sexual exploitation and abuse (SEA)

should be part of the performance objectives of supervisors. Thus, all individuals who have managerial or supervisory responsibilities were required to include in their e-PAS, a goal to raise awareness among their staff on the prevention of SEA. For six section chiefs, e-PAS for 2009/2010 cycle did not include a goal on maintaining an environment that prevents SEA.

23. Since the audit, the Mission has established a Joint Monitoring Group to replace the JMC. Also, section chiefs have been requested to include a goal on raising awareness on prevention of SEA.

Check-out procedures

24. There are clear check-out procedures that include the submission of handover notes, end of assignment reports and exit questionnaires. From a review of 41 check-outs from the Mission, 12 staff did not complete the check-out form, 39 did not prepare the handover notes, and none completed exit questionnaires. Eight of the 41 staff members were senior managers who did not complete an end of assignment report. The lack of proper handover resulted in some staff experiencing a longer learning curve when assuming their new functions. Also, the lack of adequate check-out procedures increases the risk of administrative or financial obligations of separating staff members not being adequately addressed. The audit, however, identified only one case of an outstanding receivable of \$415 for a staff member who had been separated from the Mission.

25. The Mission stated its Information Technology Section is developing an electronic check-in/check-out process which is expected to be implemented in July 2011.

V. ACKNOWLEDGEMENT

26. We wish to express our appreciation to the Management and staff of UNDOF 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 UNDOF Office of Mission Support should review the use of temporary duty assignments to ensure that it meets the criteria stipulated in the instructions provided by the Department of Field Support and that full consideration be given to the Mission's operational requirements before the release of staff.	Human Resources	Medium	O	Receipt of a copy of the results of the review of TDY, as well as a copy of the memorandum sent to programme managers to ensure operational requirements are properly considered before TDY is approved.	31 May 2011
2	The UNDOF Management should ensure that all stages in the recruitment process are properly documented and carried out in compliance with United Nations recruitment procedures.	Human Resources	Medium	C	Action taken.	Implemented
3	UNDOF should conduct an internal review of the recruitment process for post number G-4-016R (SM1234) and if necessary take action to ensure procedures over the recruitment process are improved.	Human Resources	Medium	O	Receipt of a copy of the report outlining the results of the internal review and actions taken by the Mission.	None provided
4	UNDOF, with the assistance of the Department of Field Support, should complete the designation of staff that are required to perform significant functions in the management of financial, human and physical resources.	Human Resources	Medium	O	Receipt of the approved designations for staff performing significant functions in the management of financial, human and physical resources.	31 July 2011

1. C = closed, O = open

2. Date provided by UNDOF in response to recommendations.

