



INTERNAL AUDIT DIVISION

AUDIT REPORT 2013/005

Audit of human resources management in UNIFIL

Overall results relating to the effective management of human resources were initially assessed as unsatisfactory. Implementation of one important recommendation remains in progress

**FINAL OVERALL RATING: PARTIALLY
SATISFACTORY**

**07 February 2013
AP2011/672/07**

CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. OBJECTIVE AND SCOPE	1-2
III. AUDIT RESULTS	2-5
A. Regulatory framework	3-5
B. Recruitment and promotion policies and procedures	5
IV. ACKNOWLEDGEMENT	6
ANNEX I Status of audit recommendations	
APPENDIX I Response from the Office of Human resources Management	
APPENDIX II Response from the Department of Field Support	
APPENDIX III Response from UNIFIL	

AUDIT REPORT

Audit of human resources management in UNIFIL

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of human resources management in the United Nations Interim Force in Lebanon (UNIFIL).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure: (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. The UNIFIL Head of Mission has delegated authority to recruit staff up to the D-1 level. This authority was sub-delegated to the Director of Mission Support (DMS) who further delegated it to the Chief Civilian Personnel Officer (CCPO) to recruit staff up to the P-4 level. The Civilian Personnel Section is headed by the CCPO at P-5 level, who is assisted by 16 international and 16 national staff members. UNIFIL's approved staffing budget for fiscal year 2011/12 is shown in Table 1 below.

Table 1: UNIFIL's approved staffing budget

Description	Approved budgeted cost (\$'000) *	Approved posts *	On board
International staff, including general temporary assistance	63,086	404	357
National staff	36,570	741	661
Total	99,656	1,145	1,018

Sources: (*) Approved UNIFIL budget for the period from 1 July 2011 to 30 June 2012

Note: On board data for civilian staff as at 5 April 2012 as per Field Personnel Management System.

4. Comments provided by the Office of Human Resources Management (OHRM), the Department of Field Support (DFS) and UNIFIL are incorporated in italics.

II. OBJECTIVE AND SCOPE

5. The audit was conducted to assess the adequacy and effectiveness of the UNIFIL governance, risk management and control processes in providing reasonable assurance regarding the **effective management of human resources in UNIFIL**.
6. This audit was included in the 2011 OIOS risk-based work plan due to the high complexity of human resources management in peacekeeping operations and its criticality in ensuring mandate implementation.
7. The key controls tested for the audit were: (a) regulatory framework; and (b) recruitment and promotion policies and procedures. For the purpose of this audit, OIOS defined these key controls as follows:

(a) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide human resources management in UNIFIL; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.

(b) **Recruitment and promotion policies and procedures** - controls that provide reasonable assurance that recruitment and promotion policies and procedures are followed in recruiting and promoting staff.

8. The key controls were assessed for the control objectives shown in Table 2.

9. OIOS conducted the audit from October 2011 to March 2012. The audit covered the period from 1 July 2010 to 31 October 2011. The audit was limited to the review of human resources management of civilian personnel in UNIFIL.

10. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

11. The UNIFIL governance, risk management and control processes examined were assessed as **unsatisfactory** in providing reasonable assurance regarding the **effective management of human resources in UNIFIL**. OIOS made three recommendations to address issues identified. Procedures were in place for processing and handling of recruitment, promotions and staff entitlements for international staff. However, there were significant control weaknesses in the administration of special post allowances (SPA) by UNIFIL and DFS. Officials exceeded their delegated authority and made overpayments: (a) in excess of \$707,000 to 94 staff members; and (b) \$73,678 to an international staff member. UNIFIL also promoted a staff member without competition and backdated the promotion, resulting in an overpayment of \$13,000. There were also inadequate procedures for processing recruitment and promotion of national staff.

12. The initial overall rating was based on the assessment of key controls presented in Table 2 below. The final overall rating is **partially satisfactory** as implementation of one important recommendation remains in progress.

Table 2: Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of human resources in UNIFIL	(a) Regulatory framework	Unsatisfactory	Unsatisfactory	Unsatisfactory	Unsatisfactory
	(b) Recruitment and promotion policies and procedures	Partially satisfactory	Partially satisfactory	Partially satisfactory	Unsatisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A. Regularly framework

Delegation of authority was exercised improperly

13. Between May 2009 and September 2011, UNIFIL received the results of its 2007/08 mission-wide classification exercise for 957 posts. On the basis of this, in December 2008 UNIFIL requested approval from OHRM to promote its national staff to their classified post level if they had been performing the functions for at least three years, without issuing vacancy announcements. In June 2009, OHRM approved the UNIFIL request to grant a waiver for promotion of national staff that had acquired the seniority in grade as per the rules and guidelines for national staff in peacekeeping operations.

14. In implementing the classification exercise, UNIFIL approved the payment of SPA to its national staff that did not meet the three-year requirement for promotion to their classified post. UNIFIL was of the view that this was fair, as they had been performing higher level functions. UNIFIL decided that the SPA payment would be paid until the national staff met the three-year seniority requirement for promotion to their newly classified post. The process was incorrect, and contrary to paragraph 2.2 of ST/AI/2003/3 which states that “SPA is not intended as a substitute for, or a first step towards revision of level or promotion to the encumbered post.” Moreover the SPA was paid retroactively for periods exceeding twelve months, which was contrary to paragraph 6.2 of ST/AI/2003/3 which states that “in no event may an SPA be granted retroactively for a period of more than a year from the date the supervisor signed the SPA request.”

15. This decision to approve payment of SPA had resulted in an estimated overpayment of about \$707,000 as of March 2012 to 94 national staff.

16. These SPA overpayments were made because UNIFIL had interpreted an e-mail from the Field Personnel Division (FPD) of December 2009 that FPD had confirmed that granting of SPA was applicable in these cases without issuing temporary vacancy announcements (TVAs). In this e-mail correspondence, UNIFIL informed FPD that it intended to pay SPA to those staff members who did not meet the three-year requirement for promotion to their classified post levels. In the same e-mail, UNIFIL requested confirmation from FPD whether SPAs could be granted without the issuance of TVAs. FPD agreed and stated that “the same waiver should apply to SPAs”. UNIFIL interpreted this response as a waiver to approve SPAs including retroactive payments exceeding one year without issuance of TVAs.

17. While reference was made to the guidance on mission-wide post classification was issued by DFS in June 2011, the UNIFIL classification, which resulted in the payment of SPA to staff members whose posts were classified to a higher level, was done in June 2009. Also, the DFS guidance was promulgated for non-established peacekeeping missions and special political missions, and did not apply to UNIFIL, which is an established peacekeeping mission. DFS did not have the authority to make exceptions to staff rules and administrative issuances, including ST/AI/2003/3.

18. *DFS acknowledged that in the case of the UNIFIL mission-wide review and classification exercise, it should have requested a waiver from OHRM in accordance with established procedures to allow extraordinary approval of SPAs for UNIFIL staff members that had encumbered their posts for less than three years and performed the full functions prior to classification.*

Overpayment of special post allowances to an international staff member

19. In March 2011, a staff member requested SPA at the P-5 level, as she/he was assigned the functions at that level since 1 August 2007. UNIFIL initially rejected the request on the grounds that no

TVA had been posted and therefore, the staff member was not selected competitively for the position. Also, the staff member did not fulfill the requirements for continued incumbency at the higher level as required under ST/AI/2003/3, as she/he was placed against the higher level P-5 post for administrative purposes only and later against the P-4 post. Nonetheless, UNIFIL was of the view that the case merited further review and wrote to FPD in May 2011 requesting the approval to grant an SPA to the staff member from 8 March 2010 to 30 July 2011.

20. On review of the case, FPD stated that the case was under review by the Ombudsman Office. As a result, FPD considered that if the case was submitted to the Management Evaluation Unit and the United Nations Dispute Tribunal (UNDT), Management could be in a weak position to defend a one-year retroactive implementation for someone who had performed higher level functions for a longer period. Therefore, FPD was of the view that there was a “need to apply flexibility and to avoid lengthy and costly litigation proceedings”, and a retroactive payment at the P-5 level from 1 August 2007 (the date the staff member was promoted to P-4) to 18 August 2011 was approved. DFS did not have delegated authority to make an exception to ST/AI/2003/3, and exceptional approval was not granted by the Assistant Secretary-General for OHRM.

21. The decision of FPD to approve payment of SPA to the staff member, including a four-year retroactive payment, was contrary to paragraph 6.2 of ST/AI/2003/3 which allows an SPA to be granted retroactively for a period of no more than one year from the date the supervisor signed the original request. This decision resulted in SPA payments of about \$73,700 being paid to the staff member.

22. *DFS stated that the decision to pay SPA to the staff member, including the four-year retroactive payment, was an extremely complex case and was referred to DFS by the Ombudsman’s Office following a mediation visit to UNIFIL. DFS had worked hard together with the Ombudsman to find an agreeable mediated solution to the parties involved. DFS acknowledged that OHRM’s approval should have been sought for granting SPA for more than one year retroactively prior to entering into an informal settlement agreement facilitated by the Ombudsman Office. Subsequently, DFS had been involved in discussions with the Ombudsman and Mediation Services (OMS) and the Department of Management on an appropriate procedure to follow prior to entering into informal settlement agreements with OMS in the future.*

(1) The Office of Human Resources Management should take appropriate action to address the improper exercise of delegated authority by officials in the Department of Field Support and UNIFIL in relation to: (a) overpayment of special post allowances (SPA) to national staff members, estimated at \$707,000 as of March 2012; and (b) overpayment of \$73,700 in SPA to an international staff member.

OHRM accepted recommendation 1 and issued a memorandum to responsible managers reminding them that authority to make exceptions to the staff rules and administrative instructions remained with the Assistant Secretary-General for Human Resources Management. Based on the action taken by OHRM, recommendation 1 has been closed.

B. Recruitment and promotion policies and procedures

Recruitment and promotion procedures of national staff members needed to improve

23. OIOS reviewed a sample of 14 of 60 recruitment and promotion cases for national staff members. Although UNIFIL verified the educational qualifications of the selected candidates, it did not conduct

reference checks to verify their work experience. Also, three of the cases were not processed in a competitive and transparent manner, as follows: (a) a staff member was promoted from GS-5 to GS-6 without competition, with no vacancy announcement issued; (b) a staff member at the GS-3 level resigned and applied, and was successful in being selected, for a GS-6 post, although it was not open to external candidates; and (c) the recruitment of the Legal Affairs Officer at the National Professional level was not competitive, as the post was only advertised internally and the sole candidate was selected.

- (2) UNIFIL should develop standard operating procedures for the recruitment and promotion of its national staff members to clarify the roles and responsibilities of staff involved in the recruitment process, as well as the procedures to be followed, including monitoring compliance with United Nations staff regulations and rules.**

OHRM stated that a revision of the administrative instruction on the staff selection system had been drafted and circulated for comments. The policy would be extended to locally-recruited staff in field missions to ensure that there was a common selection policy. Pending issuance of a revised administrative instruction, UNIFIL should properly apply the procedures set out in the 1996 guidelines on appointment and promotion of locally-recruited staff. UNIFIL did not accept recommendation 2 and stated that a comprehensive policy and standard operating procedures for recruitment and promotion of national staff should be first developed by OHRM and DFS for global application. In the meantime, UNIFIL had developed a workflow chart that outlined the roles and responsibilities related to the delegation of authority for recruitment of national staff in UNIFIL. Recommendation 2 remains open pending issuance of the revision of the administrative instruction on the staff selection process, which includes locally-recruited staff in field missions, and evidence that UNIFIL have developed standard operating procedures based on this to clarify the roles and responsibilities of those involved in the recruitment process.

- (3) The Office of Human Resources Management should remind officials in UNIFIL of its obligation to properly exercise its delegated authority.**

OHRM accepted recommendation 3 and reminded responsible managers of their obligations to properly exercise their delegation of authority. Based on the action taken, recommendation 3 has been closed.

IV. ACKNOWLEDGEMENT

24. OIOS wishes to express its appreciation to the Management and staff of OHRM, DFS and UNIFIL for the assistance and cooperation extended to the auditors during this assignment.



David Kanja, Assistant Secretary-General
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of human resources management in UNIFIL

Recom. no.	Recommendation	Critical/ ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The Office of Human Resources Management should take appropriate action to address the improper exercise of delegated authority by officials in the Department of Field Support and UNIFIL in relation to: (a) overpayment of special post allowances (SPA) to national staff members, estimated at \$707,000 as of March 2012; and (b) overpayment of \$73,700 in SPA to an international staff member.	Critical	C	Action taken	Implemented
2	UNIFIL should develop standard operating procedures for the recruitment and promotion of its national staff members to clarify the roles and responsibilities of staff involved in the recruitment process, as well as the procedures to be followed, including monitoring compliance with United Nations staff regulations and rules.	Important	O	Issuance of the revision of the administrative instruction on the staff selection process, which includes locally-recruited staff in field missions, and evidence that UNIFIL have developed standard operating procedures based on this to clarify the roles and responsibilities of those involved in the recruitment process.	30 April 2013
3	The Office of Human Resources Management should remind officials in UNIFIL of its obligation to properly exercise its delegated authority.	Critical	C	Action taken	Implemented

¹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

³ C = closed, O = open

⁴ Date provided by OHRM