OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2016/010

Audit of the provision of translation and editorial services at the United Nations Office at Nairobi

Overall results relating to the provision of translation and editorial services were initially assessed as partially satisfactory. Implementation of three important recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

4 March 2016
Assignment No. AA2015/210/04

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AUDIT REPORT

Audit of the provision of translation and editorial services at the United Nations Office at Nairobi

I.   BACKGROUND

1.   The Office of Internal Oversight Services (OIOS) conducted an audit of the provision of translation and editorial services at the United Nations Office at Nairobi (UNON).

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 Division of Conference Services (DCS) of UNON was established in 1996 with dual reporting lines, functionally to the Department for General Assembly and Conference Management (DGACM) and administratively to the Director-General of UNON. The Translation and Editorial Section (TES) within DCS is responsible for the provision of translation and editorial services at UNON.

4.   Pursuant to General Assembly resolutions 54/248 and 54/249 dated 23 December 1999, DCS became part of DGACM effective 1 September 2000, operating under the policy guidance of the Under-Secretary-General for General Assembly and Conference Management. Conference service activities of, and resources previously allocated to, the United Nations Environment Programme (UNEP), the United Nations Human Settlements Programme (UN-Habitat) and UNON were consolidated under DCS. DCS comprised the Office of the Chief of Division and four sections, namely: Planning and Coordination Section, Interpretation Section, Publishing Services Section, and TES. TES comprised six language units and was administratively supported by the Documents Control, Contractual Translation and Contractual Services Units of DCS.

5.   TES provided services to UNEP, UN-Habitat, Convention Secretariats and other United Nations entities in Nairobi. The services provided included: (a) translation and revision editing; (b) report writing and editing; (c) text-processing; and (d) terminology and reference services. TES also monitored documentation and other materials to track developments in the terminology used by the United Nations. TES processed a total of 106,184 English Standard Pages (ESP) generating a total revenue of $13 million for the period January 2012 to September 2015 as shown in Table 1.

Table 1: Translation and Editorial Services Workload and Revenues

	2012/13		2014/15*		Totals	
Service	**ESP**	**Revenue ($)**	**ESP**	**Revenue ($)**	**ESP**	**Revenue ($)**
Translation	47,300	5,493,224	37,475	4,684,422	**84,775**	**10,177,646**
Editing	11,142	492,921	9,357	467,839	**20,499**	**960,760**
Word processing	-	-	910	20,954	**910**	**20,954**
Report writing	-	1,034,987	-	848,291	**-**	**1,883,278**
Totals	**58,442**	**7,021,132**	**47,742**	**6,021,506**	**106,184**	**13,042,638**

Note: *Figures up to September 2015

6.   TES had 54 approved posts comprising 23 Professional and 31 General Service personnel, and was headed by a P-5 who reported to the Chief of DCS. TES enlisted the services of external translators as individual contractors on short-term contracts to supplement internal translation capacity. For the calendar years 2013, 2014 and 2015, on average, TES utilized the services of 63 individual contractors each year.

7.   TES was financed both through the DGACM regular budget and extra budgetary funding. TES regular budget for the biennia 2012-2013 and 2014-2015 was $7.9 million and $8.1 million respectively, and extra budgetary funding was $5.7 million and $5.5 million respectively. The total expenditure for 2012-2013 and 2014-2015 up to 30 September 2015 amounted to $14.1 million and $11.8 million, respectively.

II.   OBJECTIVE AND SCOPE

8.   The main objective of the audit was to assess the adequacy and effectiveness of the UNON governance, risk management and control processes in providing reasonable assurance regarding the **effective and efficient provision of translation and editorial services at UNON**.

9.   The audit was included in the 2015 risk-based work plan at the request of UNON in view of the risk that potential weaknesses in management of translation and editorial services could have an adverse impact on effectiveness and efficiency of operations.

10.   The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined regulatory framework as controls that provide reasonable assurance that policies and procedures: (i) exist to guide the operations of translation and editorial services; (ii) are implemented effectively and consistently; and (iii) ensure reliability and integrity of financial and operational information.

11.   OIOS conducted the audit from September to November 2015. The audit covered the period from 1 January 2012 to 30 September 2015.

12.   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

13.   The UNON governance, risk management and control processes examined were initially assessed as **partially satisfactory[1]** in providing reasonable assurance regarding the **effective and efficient provision of translation and editorial services at UNON**. OIOS made three recommendations to address issues identified in the audit.

14.   DCS had selected individual contractors for translation and editorial services from a roster. The pool of available individual contractors was expected to increase further with the establishment of a global roster by DGACM. With effect from April 2015, the authority for processing translation contracts

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[1] A rating of **"partially satisfactory"** means that important (but not critical or pervasive) deficiencies exist in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

had been appropriately delegated to the Chief of Contractual Translation Unit of DCS. However, there was need for UNON to develop an action plan to reduce the vacancy rate in DCS, in consultation with DGACM and Office of Human Resources Management (OHRM) if necessary, to enhance the efficiency and effectiveness of TES operations. Also, DCS needed to: (a) prepare written procedures for handling classified documents; and (b) monitor the productivity of TES staff, including manual entries in the Documents, Conference and Production Management System (DCPMS) and the time charged for performing quality control reviews.

15. The initial overall rating was based on an assessment of the key control presented in Table 2 below. The final overall rating is **partially satisfactory** as implementation of three important recommendations remains in progress.

Table 2: Assessment of key control

Business objective	Key control	Control objectives			
		Efficient and effective operations	**Accurate financial and operational reporting**	**Safeguarding of assets**	**Compliance with mandates, regulations and rules**
Effective and efficient provision of translation and editorial services at UNON	Regulatory framework	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

Regulatory framework

<u>There was need to reduce vacancies in TES to enhance the efficiency and effectiveness of operations</u>

16. The Chief of DCS was required to, among other duties, recruit staff for the Sections under DCS, determine priorities and request resources for completing outputs, and ensure their timely delivery. In its resolution 69/250, the General Assembly requested the Secretary-General to consider further measures aimed at decreasing the vacancy rates at UNON and requested the Secretary-General to report thereon to the Assembly at its 70th session.

17. Since 5 September 2011, TES was headed by an Acting Chief on an ad interim basis. As of 31 August 2015, there were seven vacant posts (three Professional and four General Service) in TES, representing 13 per cent of the authorized strength. The vacancies particularly affected quality control tasks in the Spanish and Chinese Language Units, where the posts of Chief and Senior Reviser were vacant for both Units. DCS stated that it has been difficult to identify suitable candidates as the market for translators was fast shrinking globally. This was partly because applicants are required to pass the respective language tests. To mitigate the impact of vacancies, TES relied on the services provided by individual contractors.

18. UNON had advertised the TES posts on average three times but concluded that there were no suitable candidates. In order to fill the vacancies, there was need for DCS to develop an action plan, if necessary in consultation with DGACM and OHRM, so that the authorized posts are fully utilized to maximize the efficiency and effectiveness of translation and editorial operations.

> **(1) UNON DCS should, in consultation with DGACM and OHRM if necessary, develop an action plan to fill the vacancies in the Translation and Editorial Section.**

19.   *UNON DCS accepted recommendation 1 and stated that work is underway to formalize an action plan with a view to expediting the recruitment and selection process through, among other things, cooperative arrangements and close coordination and interaction with Human Resources partners in the task force on expediting the recruitment process (coordinated by Human Resources Management Section at UNON). In consultation with DGACM more targeted solutions will be explored further.* Recommendation 1 remains open pending receipt of an action plan to fill the vacancies in TES.

Controls over outsourcing of work to individual contractors were satisfactory

20.   In accordance with administrative instruction ST/AI/2013/4 on consultants and individual contractors, DCS maintained rosters of qualified individual contractors who could be sourced for the provision of translation and editorial services, as needed. TES initially determined whether client requests for translation could be processed using internal resources. If internal resources were inadequate to deliver the services within the established deadline, TES, with the support of Documents Control Unit and Contractual Management Unit, outsourced the job to individual contractors. A contract with specific terms and conditions was signed with the individual contractor for the work assigned.

21.   DCS explained that DGACM was in the process of establishing a common global roster for individual contractors for all duty stations. The global roster would provide TES with greater opportunities and flexibility for identifying qualified individual contractors both as translator-only and self-reviser, which would enhance service delivery. OIOS therefore concluded that the controls relating to outsourcing of work to individual contractors were operating satisfactorily.

Need to document procedures for handling transmission of confidential documents

22.   The Secretary-General's Bulletin ST/SGB/2007/6 dated 12 February 2007 on "Information sensitivity, classification and handling" requires the secure handling of classified information to prevent unauthorized disclosure and maintain confidentiality. For security reasons, DCS required translation requests relating to documents marked as "strictly confidential" to be submitted to the Document Control Unit outside of DCPMS.

23.   The procedures for handling and processing of classified documents within DCS were not documented. TES stated that confidential documents would be translated using only internal resources and in such cases they would not be uploaded to the online document services request forms.

24.   It was unclear whether TES procedures required the use of password protection or encryption of strictly confidential documents to ensure their security and confidentiality. DCS stated that although not documented, procedures for handling confidential documents existed in practice. In view of the high risk associated with the potential compromise of confidentiality of classified documents, it was necessary that DCS put written procedures in place for the handling of classified documents.

> **(2) UNON DCS should document procedures for handling of classified documents to ensure that confidentiality of such documents is protected.**

25.   *UNON DCS accepted recommendation 2 and stated that standard operating procedures will be developed and distributed within three months with a follow up review with all parties concerned.* Recommendation 2 remains open pending receipt of the standard operating procedures for handling of confidential documents.

Authority for processing and managing translation contracts was appropriately delegated

26.   Administrative Instruction ST/AI/2004/1 on delegation of authority under the Financial Regulations and Rules of the United Nations requires delegation of authority to be personal and the individual to whom authority is delegated is directly responsible to the Assistant Secretaries-General in each of the functional areas. In its previous report (dated 5 November 2012) on an audit of the management of conference services at UNON, OIOS had noted that DCS did not have delegated authority for signing contracts for outsourced translation services. During the period under review (January 2012 - September 2015), the Chief of DCS and other officials acting in his position approved 4,052 translation contracts valued at approximately $2.8 million. Effective April 2015, the Assistant Secretary-General of OHRM delegated the authority for signing such contracts to the Chief of the Contractual Translation Unit of DCS, and this delegation was implemented in the Umoja system workflow. OIOS therefore concluded that the authority for approving translation contracts had been appropriately delegated.

Monitoring of productivity of translation and editorial services needed to be strengthened

27.   DGACM established quantitative workload standards for assessing and monitoring the performance of the translation and editorial staff as shown in Table 3. These standards were required to be built into DCPMS as the basis for calculating the productivity of internal translation and editorial staff.

Table 3: Standards for productivity of translation and editorial staff

Activity	No. of pages per day
Translation	5
Self-revision	5.5
Revision	12
Heavy quality control	15
Light quality control	30

28.   OIOS' recalculation of staff productivity for the period under review showed that the formulae used for calculation of productivity were in accordance with the parameters set in the performance guidelines. Therefore, OIOS assessed that the productivity reports generated by DCPMS were accurate.

29.   However, there was need to strengthen monitoring of translation and editorial services, as explained below.

a)   Manual input of time in DCPMS system needed to be reviewed

Staff manually input time spent on special assignments that was deducted from productive time in DCPMS, as these tasks were performed outside of DCPMS. There was no evidence that supervisors reviewed these entries for accuracy and reasonableness. For instance, one translator marked all her time as officer-in-charge without apportioning any time to other duties such as revision and quality control, which were functions associated with the position.

b)   Quality control procedures needed to be strengthened

Quality control processes for translation work required two types of reviews, namely: (i) heavy quality control, which required detailed and extensive review of documents translated mainly by junior translators; and (ii) light quality control, which required lighter review of documents translated by senior translators and individual contractors. For translation work performed by individual contractors, staff in the French Language Unit continued to indicate heavy quality

control in their productivity report. The work submitted by individual contractors only required light quality control since these were experienced translators and self-revisers. DCS stated that the work was highly technical in nature and contained scientific text that required a more thorough review. However, OIOS review of a sample of 12 quality control forms for contracted work showed that in 10 cases, the work had been marked as medium complexity. Further, for translating the same work into four other languages, the complexity was indicated as medium.

30.   Inadequate monitoring of staff productivity against set parameters could lead to sub-optimal utilization of resources.

> **(3) UNON DCS should monitor the entries made by staff in recording their productivity, including manual entries and time charged for quality control reviews.**

31.   *UNON DCS accepted recommendation 3 and stated that the Chief of TES will regularly review productivity reports to verify accuracy and delivery. Manual entries would be closely monitored for any anomalies. When individual productivity is low, this would be addressed and rectified in writing by the First Reporting Officer and Second Reporting Officer. When necessary, issues can be brought to the attention of the Chief of Division.* Recommendation 3 remains open pending receipt of evidence that UNON DCS monitors the productivity entries recorded by staff.

Quality assurance processes were operating satisfactorily

32.   The Compendium of Administrative Policies, Practices and Procedures of Conference Services of March 2012 placed emphasis on management of the quality of translation work, in particular for contractual translation as it ultimately reflects on the image of the Organization. Furthermore, in 2009, the General Assembly requested the Secretary-General to provide, at all duty stations, adequate staff at the appropriate level, with a view to ensuring appropriate quality control for external translation. Consequently, DGACM reclassified six P-4 posts to the P-5 level to strengthen the quality control function.

33.   Upon completion of translation work by the individual contractors and junior translators, the translated work was required to undergo technical quality reviews first by the translators, and then by the word processors (both under TES), before administrative quality reviews are conducted by the Contractual Management Unit. OIOS reviewed a sample of 45 contracts for translation work valued at $301,398 out of a total of 4,053 contracts valued at $2,066,576 for the period from January 2013 to September 2015. All 45 contracts reviewed contained quality control forms and assessments for the work done as required. OIOS therefore concluded that quality control procedures were operating satisfactorily.

IV.   ACKNOWLEDGEMENT

34.   OIOS wishes to express its appreciation to the Management and staff of UNON for the assistance and cooperation extended to the auditors during this assignment.

(*Signed*) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the provision of translation and editorial services at the United Nations Office at Nairobi

Recom. no.	Recommendation	Critical[2]/ Important[3]	C/ O[4]	Actions needed to close recommendation	Implementation date[5]
1	UNON should, in consultation with DGACM and OHRM if necessary, develop an action plan to fill the vacancies in the Translation and Editorial Section.	Important	O	Receipt of an approved action plan for filling of the vacancies in the Translation and Editorial Section.	28 February 2017
2	UNON DCS should document procedures for handling of classified documents to ensure that confidentiality of such documents is protected.	Important	O	Receipt of documented procedures for handling of classified documents.	31 May 2016
3	UNON DCS should monitor the entries made by staff in recording their productivity, including manual entries and time charged for quality control reviews.	Important	O	Receipt of evidence of monitoring activities for staff productivity parameters.	31 December 2016

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[2] Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

[3] Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

[4] C = closed, O = open

[5] Date provided by UNON in response to recommendations.

APPENDIX I

Management Response

Management Response

Audit of the provision of translation and editorial services at the United Nations Office at Nairobi

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNON-DCS should, in consultation with DGACM and OHRM if necessary, develop an action plan to fill the vacancies in the Translation and Editorial Section.	Important	Yes	Chief of DCS with EO DGACM and HRMS-UNON	28 February 2017	Work is underway to formalize an action plan with a view to expediting the recruitment and selection process through, among other things, cooperative arrangements and close coordination and interaction with HR partners in the task force on expediting the recruitment process (coordinated by HRMS-UNON). In consultation with DGACM more targeted solutions will be explored further.
2	UNON DCS should document procedures for handling of classified documents to ensure that confidentiality of such documents is protected.	Important	Yes	Chief of Meetings coordination unit	30 May 2016	SOP to be developed and distributed within 3 months with a follow up review with all parties concerned.
3	UNON DCS should monitor the entries made by staff in recording their productivity, including manual entries and time charged for quality control reviews.	Important	Yes	Chief of TES	31 December 2016	The Chief of TES will regularly review productivity reports to verify accuracy and delivery. When the x factor is harmonized across duty stations this will be implemented and monitored accordingly at UNON. Manual entries should be closely monitored for any anomalies. When individual productivity is low, this

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[1] Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

[2] Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

Audit of the provision of translation and editorial services at the United Nations Office at Nairobi

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						should be addressed and rectified in writing by the FRO and SRO. When necessary issues can be brought to the attention of the Chief of Division.