



## **INTERNAL AUDIT DIVISION**

### **REPORT 2023/005**

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#### **Audit of leave and attendance in the United Nations Secretariat**

**With changes in the working modality, there is an increasing need for additional reports and management dashboards to facilitate more effective monitoring of leave and attendance by managers**

**7 March 2023  
Assignment No. AH2022-612-01**

# **Audit of leave and attendance in the United Nations Secretariat**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of leave and attendance in the United Nations Secretariat. The objective of the audit was to assess the adequacy and effectiveness of controls over the management of leave and attendance. The audit covered the four leave cycles from 1 April 2018 to 31 March 2022. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in planning, recording, reporting and monitoring leave and attendance, including fraud risk management. The audit addressed three main audit questions:

- a) How is leave managed to ensure staff avail of the leave to which they are entitled without undue disruption to work activities?
- b) How effective is the recording, reporting and monitoring of leave and attendance?
- c) How effective is the management of fraud risks relating to leave and attendance at enterprise and entity levels?

There were control processes to administer the different types of leave entitlements and a mechanism to monitor reported exceptions. However, management control over leave and attendance at the entity level was not adequate. This resulted in high levels of retroactive approval for leave requests, low compliance with time certification, erroneous leave entries and potential misuse of leave entitlement. With changes in the working modality, there is an increasing need for additional reports and management dashboards to facilitate more effective monitoring of leave and attendance by managers.

OIOS made seven recommendations to the Department of Management Strategy, Policy and Compliance (DMSPC) and one recommendation to the Department of Operational Support (DOS). To address issues identified in the audit, DMSPC needed to:

- Remind heads of entities of their responsibility to ensure timely submissions of annual leave requests and their prompt approval, and to monitor and address outstanding leave requests;
- Provide guidance, in collaboration with DOS, for retroactive adjustment of previously rejected certified sick leave requests below 20 days;
- Assess, in consultation with DOS, whether certain policies and guidance relating to sick leave are in line with best practices, and revise them, if appropriate;
- Clarify the requirements to report exceptions to administrative instructions on leave and attendance;
- Assess the continued validity of monthly and annual time certifications and recording of telecommuting in Umoja;
- Request heads of entities to review and take action on areas of potential abuse and fraud schemes that were identified during the present audit; and
- Develop management dashboard(s) and, in coordination with DOS, design Umoja reports with pertinent information on leave and attendance patterns to assist heads of entities to conduct more effective monitoring.

DOS needed to collect diagnostic information on the first 20 days of sick leave for comprehensive analysis and informed decision-making.

DMSPC accepted six recommendations and initiated action to implement them. DMSPC did not accept the recommendation to assess whether certain policies relating to sick leave were in line with best practices, stating among others, that the issue had not been raised before and revision would require a change in the Staff Rules. OIOS notes the position stated by DMSPC and will record the recommendation as unaccepted by DMSPC in the OIOS recommendation monitoring system.

DOS accepted its recommendation and initiated action to implement it.

Actions required to close accepted recommendations are indicated in Annex I.

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# Audit of leave and attendance in the United Nations Secretariat

## I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of leave and attendance in the United Nations Secretariat.

2. As per the management structure established in accordance with General Assembly resolution 72/266 B, the Office of Human Resources (OHR) of the Department of Management Strategy, Policy and Compliance (DMSPC) is the central authority for developing policies relating to all aspects of human resources management including leave and attendance. The implementation of such policies is supported by the Human Resources Services Division (HRSD) of the Office of Support Operations in the Department of Operational Support (DOS) through its advisory and operational support to the entities of the United Nations Secretariat.

3. Management of leave and attendance in the Secretariat is guided by the Staff Regulations and Rules and related administrative instructions, supplemented by operational guidelines. According to Staff Regulations and Rules, employees on permanent, continuing, and fixed-term contracts (regular contracts) are entitled to 30 days of annual leave, while those on temporary contracts are entitled to 18 days. The Organization also allows staff to take uncertified and certified sick leave when they are unable to perform their duties by reasons of illness, injury or family emergency. The various types of leave available to staff are summarized in Table 1 below.

**Table 1: Types of leave entitlement and conditions by contract type**

Leave type	Permanent/ Continuing	Fixed-term		Temporary
		>3 years of service	<3 years of service	
Annual leave	2.5 days per month with the maximum balance of 60 days available to be carried forward as of 31 March Home leave and family visit leave are deducted from accrued annual leave balances			1.5 days per month with the maximum balance of 18 days available to be carried forward as of 31 March
Sick leave - uncertified	7 working days per leave cycle (April to March) due to illness, injury or family emergency			
Sick leave - certified	9 months on full salary and 9 months on half salary in any period of four consecutive years		3 months on full pay and 3 months on half pay in any period of 12 consecutive months	2 working days per month
Special leave	With or without pay Up to 2 years for family-related reasons with possible renewal for another 2 years under exceptional circumstances Duration of special leave for other reasons is not regulated Sabbatical leave is taken from special leave with pay			For compelling reasons Duration not regulated
Maternity leave	16 weeks in total, starting no earlier than 6 weeks prior to the expected due date			
Adoption leave	8 weeks continuously from the date of adopted child's arrival			
Paternity leave	4 weeks for staff in family duty stations and 8 weeks for internationally recruited staff in non-family duty stations			

Source: ST/SGB/2018/1, ST/AI/2005/3, ST/AI/2015/2, ST/AI/2005/2, ST/AI/2015/5 and related revisions and amendments

4. In addition, staff members appointed or assigned to work for extended periods at designated duty stations with hazardous, stressful and difficult conditions are granted periods of rest and recuperation (R&R) away from the duty station for 5 calendar days every 4 to 12 weeks. Although R&R is not considered a leave type, OIOS included it in the scope of this audit due to its regularity.

5. Several parties are involved in the leave and attendance process as shown in Table 2, using the three lines model approach.<sup>1</sup> While it is the primary responsibility of staff to manage their leave and attendance, other parties are also important components of the first line of defense.

**Table 2: Parties that contribute to internal control and their roles in management of leave and attendance**

Line of defense	Party	Role
<b>First</b>	Staff	Submits leave requests for approval of time manager, certifies monthly and annual time statements.
	Time manager	Approves/rejects leave requests, monitors staff leave and attendance.
	Time administrator	Enters and edits time records on behalf of other staff, views staff absence balance and calendar.
	Human Resource (HR) Partner	Approves/rejects certain leave requests such as first 20 days of certified sick leave.
	Medical Director/medical officers	Approves/rejects certified sick leave beyond 20 days during a 12-month rolling period at their respective locations.
	Head of entity	Approves/rejects and monitors annual and special leave. Grants exceptions within delegation of authority.
<b>Second</b>	Business Transformation and Accountability Division (BTAD) in DMSPC	Provides policies, framework, tools, techniques and support for management of leave and attendance. Monitors the effectiveness of the first line in managing risk and ensuring compliance.

6. The annual and uncertified sick leave cycle starts on 1 April and ends on 31 March every year. Management of leave and attendance entails a large volume of daily transactions as about 600 leave requests are processed every day. Annual leave and sick leave accounted for 86 per cent of the total leave days taken during the four leave cycles covered in this audit, as shown in Table 3.

**Table 3: Number of leave days taken by staff by leave type**

Leave type	2018-2019	2019-2020	2020-2021	2021-2022	Average Proportion
Annual leave	896,923	872,861	529,207	936,800	61%
Sick leave (certified and uncertified)	339,685	342,412	288,069	330,150	25%
Special leave (with and without pay)	102,181	116,215	105,910	74,007	7%
Other <sup>2</sup>	109,719	106,522	77,661	84,865	7%
<b>Total</b>	<b>1,448,508</b>	<b>1,438,010</b>	<b>1,000,847</b>	<b>1,425,822</b>	<b>100%</b>
Number of staff	41,200	41,500	40,100	41,000	
Leave days per staff	35 days	35 days	25 days	35 days	
Rest and recuperation	121,504	144,827	49,976	97,121	

Source: Umoja report – absent types

7. Approximately 41,000 staff take about 1.4 million leave days per cycle (about 35 days per staff) except in 2020-2021, which showed a sharp decline in the use of all leave types, impacted by the COVID-19 outbreak. Considering travel and other restrictions imposed by most countries during this period, DMSPC issued special measures to provide staff greater flexibility in managing their leave entitlements. As of 1 April 2022, most of such measures had been lifted. The COVID-19 pandemic caused unprecedented challenges to the Organization while simultaneously presenting an opportunity to accelerate transformation

<sup>1</sup> The “three lines of defense” framework aims to attain effective risk management through: management control as the first-line of defense; provision of guidance and tools and effective monitoring activities as the second; and independent assurance as the third-line of defense.

<sup>2</sup> Maternity leave, paternity leave, adoption leave, compensatory/compressed time off, floating holiday, administrative leave, jury duty and travel time.

to a more agile, innovative and inclusive organization. The experience requires continuous learning and proactive risk management to address issues that may arise from the new modality of work.

8. Comments provided by DMSPC and DOS are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

9. The objective of the audit was to assess the adequacy and effectiveness of controls over the management of leave and attendance. The audit addressed three main questions:

- a. How is leave managed to ensure staff avail of the leave to which they are entitled without undue disruption to work activities?
- b. How effective is the recording, reporting, and monitoring of leave and attendance?
- c. How effective is the management of fraud risks relating to leave and attendance at enterprise and entity levels?

10. This audit was included in the 2022 risk-based work plan of OIOS due to the financial and operational risks associated with the management of leave and attendance.

11. OIOS conducted this audit from March to October 2022. The audit covered the four leave cycles from 1 April 2018 to 31 March 2022. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in planning, recording, reporting and monitoring leave and attendance, including fraud risk management.

12. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation, (c) analytical review of Umoja data pertaining to 139 entities in the United Nations Secretariat; (d) sample testing of various types of leave using a statistical sampling method; and (e) benchmarking study.

13. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

## **III. AUDIT RESULTS**

### **A. How is leave managed to ensure staff avail of the leave to which they are entitled without undue disruption to work activities?**

#### Need to reduce retroactive submission and approval of annual leave requests

14. Annual leave requests must be made by staff and authorized by supervisors in advance, except where compelling circumstances make this impossible. This facilitates advance planning to ensure that the office operates smoothly and efficiently with limited impact due to employee absence. OIOS review on the timeliness of approval showed that approximately 37 per cent of annual leave requests were approved by supervisors retroactively with a median delay<sup>3</sup> of 10 to 12 days. As indicated in Table 4, about half of these leave requests were submitted to supervisors prior and half after the commencement of leave. Of the cases of late submission by staff, 10 per cent were leave requests for three days or longer. It is noted that

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<sup>3</sup> The median value was used due to the wide variations, which may skew the average.

some staff members may have sought approval for leave through e-mail and recorded their leave in the system at a later stage.

**Table 4: Number of retroactive approvals of annual leave**

Leave cycle	Total annual leave requests posted (A)	Retroactive approval by supervisors			Ratio (B)/(A)	Median delay
		Leave requests submitted before leave started	Leave requests submitted after leave started	Total (B)		
2018-2019	202,679	31,675	42,440	74,115	37%	11 days
2019-2020	230,863	39,138	44,816	83,954	36%	11 days
2020-2021	138,684	28,569	23,184	51,753	37%	12 days
2021-2022	224,053	42,668	39,015	81,683	36%	10 days

15. The ratio of retroactive approvals ranged from 15-57 per cent depending on the entity.<sup>4</sup> Three entities with 100 or more staff members had a retroactive approval rate of more than 50 per cent for the period reviewed.<sup>5</sup>

16. Further, a small number of annual leave requests in Umoja submitted between April 2018 and March 2022 (3,547) were pending approval as of 17 August 2022, most of which (69 per cent) were outstanding for more than a year. While some executive offices/HR Partners proactively monitored unapproved leave and issued periodic reminders, there was no consistent action to address retroactive submissions and approvals. To ensure accurate time recording and avoid unplanned disruptions to operations, each entity should endeavour to reduce retroactive submissions/approvals of leave and periodically resolve outstanding leave requests by putting in place a monitoring mechanism.

**(1) DMSPC should remind heads of entities of their responsibility to ensure timely submissions of annual leave requests and their prompt approval, and to monitor and address outstanding leave requests.**

*DMSPC accepted recommendation 1 and stated that it would continue to publish reminders in the form of broadcast messages to staff at large and issue communication to entities and/or to the human resources community Secretariat-wide reminding both staff and managers of their duties and obligations under the Staff Regulations and Rules. Entities are fully delegated to implement the guidelines, including prompt approval, monitoring and addressing of outstanding leave requests.*

Need to strengthen control over entries of leave records in Umoja

17. Input controls ensure the validity of entries and completeness and accuracy of records in Umoja, which are critical to managing leave and attendance effectively. They should apply to all transactions, with any exceptions triggering reviews for resolution. OIOS review of the entire leave records during the four leave cycles indicated that Umoja was appropriately configured to accrue leave days and home leave points reflecting various contract types and temporary measures due to the COVID-19 outbreak. However, the following exceptions in leave records were noted, all of which have financial implications to the Organization.

- a) **Advanced annual leave:** Staff may take advanced annual leave for up to 10 working days. There were 345 cases where the system allowed more than 10 days of advanced annual leave.

<sup>4</sup> The ranking is based on the entities with 100 or more staff members.

<sup>5</sup> These entities were notified of the issue with a request to review and take action to improve timeliness of approval of annual leave requests.



- b) **Leave days carried forward:** Staff with regular contracts may carry up to 60 days of annual leave to the next leave cycle. Similarly, staff with temporary contracts may carry up to 18 days of annual leave. In 192 cases, the system allowed staff to carry forward more than the established thresholds.
- c) **Floating holidays:** Staff members may choose one floating holiday from a list of eight, including one public holiday specific to the host country, to add to the nine fixed official holidays for a calendar year. In 123 cases, the system allowed staff to take more than one floating holiday during a calendar year.
- d) **Uncertified sick leave:** Staff may take up to seven working days as uncertified sick leave. In 601 cases, the system allowed staff to take uncertified sick leave beyond 7 working days, or 14 and 10 days for the 2020 and 2021 cycles, respectively, with the special measures due to COVID-19.
- e) **Home leave:** There was no validation link between the time management system and the travel management system, which resulted in 709 cases where staff took home leave travel without applying for any leave and 472 cases where staff submitted request for other leave types (not home leave) but received the home leave travel entitlement. In both cases, the accrued home leave points remained unchanged.

There were also cases when staff erroneously selected home leave instead of annual leave (cases where no home leave travel was processed), and the points were deducted, which created a negative home leave balance.

There were at least 993 cases where staff stayed in their home countries for less than the required seven consecutive days. In the absence of a validation link between the time and travel management systems, it was the responsibility of HR Partners to check that staff selected the appropriate leave type before approval of home leave travel request; however, the control was not fully effective.

- f) **Sick leave for shift staff:** Staff who work 12-hour shifts are allowed to take three to four days off a week to maintain the total work hours per week at an equal level as those who work on the standard schedule (i.e., eight hours a day, five days a week). However, when shift staff take sick leave, the system only charged one 8-hour day of sick leave for 12-hour absence, which effectively granted them 50 per cent more sick leave than staff on the standard schedule. There were at least 178 such cases.

18. OIOS had previously identified many of the system issues mentioned above in its audit report 2018/102<sup>6</sup> and recommended to the then Department of Management to implement control enhancement over high-risk processes in Umoja and for the specific gaps identified in the audit. However, the recommendation was not yet implemented at the time of the present audit. As the risks remain, there is a need to monitor leave types where validation controls are limited and assist heads of entities to resolve exceptions. Recommendation 8 addresses this issue.

#### Need to resolve rejected sick leave

19. Certified sick leave is granted upon review of required documentation by HR Partners for sick leave requests under 20 days in a year, or medical review and approval by the Division of Healthcare Management and Occupational Safety and Health (DHMOSH) and medical offices at other duty stations for leave requests beyond 20 days. Rejected requests should be resolved or adjusted in Umoja in a timely manner,

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<sup>6</sup> Audit of Umoja implementation by the Department of Management.

through conversion to other leave types such as annual leave, uncertified sick leave, etc. During the audit period, 9,996 requests for certified sick leave by 5,728 staff were rejected without ultimate resolution, totalling 82,273 days of rejected sick leave. Some staff members' sick leave requests were repeatedly rejected. For example, sick leave requests for 802 of the 5,728 staff members (14 per cent) were rejected at least three times during the four leave cycles reviewed, including 59 staff whose requests were rejected at least 10 times. These rejected leave days were not retroactively adjusted for the absence already taken, costing the Organization about \$29 million over the four years.<sup>7</sup>

20. To resolve this issue, on 21 December 2021, DOS announced through an iSeek broadcast that when a certified sick leave request has been rejected and corrective action must be taken, staff will receive three additional notifications at 15-day intervals to do so. If no action is taken within 60 days of the initial notification, Umoja will convert rejected leave days into unauthorized absences. The enhancement to Umoja was implemented on 30 September 2022 and a new workflow was created to resolve rejected sick leave going forward, as well as leave requests that had been rejected by medical officers. However, the resolution of sick leave that were rejected by HR Partners was pending at the time of the present audit. They represent 5,824 cases or 24,059 days, with an estimated cost of \$8.4 million.

**(2) DMSPC and DOS should provide guidance for retroactive adjustment of certified sick leave requests that were rejected by HR Partners and remained unresolved in Umoja as of 30 September 2022.**

*DMSPC and DOS accepted recommendation 2 and stated that as part of the implementation of the rejected certified sick leave monitoring tool in Umoja, all records of unresolved sick leave rejected by HR Partners before 1 October 2022 will be made available in the tool by the second quarter of 2023. The joint DMSPC/DOS Umoja HR Support Team had already provided guidance to the global HR community in the form of two detailed solution demos, as well as published training materials containing step-by-step video guides on the HRSD Knowledge Management Platform.*

#### Review of sick leave policy

21. HR management related administrative instructions need to be aligned with relevant Secretary-General's bulletins and support the Staff Regulations and Rules. OIOS observed possible misalignment in the administrative issuance pertaining to sick leave.

22. According to Staff Rule 6.2, staff who hold fixed-term contracts and have completed less than three years of continuous service are granted sick leave of up to three months on full salary and three months on half salary in any period of 12 consecutive months. Staff on regular contracts with longer years of service are granted nine months sick leave on full salary and nine months on half salary in any period of four consecutive years. This indicates that staff with less than three years of continuous service have more sick leave days per annum (i.e., 65 days) than those with longer service (i.e., 49 days). DMSPC indicated that a comparison of sick leave days per annum was not appropriate because staff with longer service have the advantage of availing of nine months of sick leave all at once. However, if one has exhausted nine months of sick leave in the first year, he or she will need to wait for the rest of the four-year period to elapse to be eligible again to take sick leave on full salary. There were four cases during the audit period where staff availed of nine months of sick leave on full salary in a year.

23. Furthermore, the implementation of the policy was complex and difficult to monitor due to rolling nature of the leave entitlement. Other organizations such as the World Bank and the United States federal

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<sup>7</sup> The cost is estimated based on the payroll for December 2021 and the number of staff on the payroll.

government have adopted an accrual-based sick leave policy, where sick leave entitlement is earned for months/years of service. For instance, the accrual-based sick leave policy could grant all staff 65 days of sick leave on full salary in the first 12 consecutive months of service, followed by monthly accrual that is capped at 195 days. The accrual-based system could improve transparency and simplicity in administering sick leave for all staff.

- (3) DMSPC should, in consultation with DOS, assess whether the existing policies relating to:**  
**(a) maximum sick leave entitlement before and after three years of continuous service; and**  
**(b) establishing sick leave entitlement in rolling periods of four consecutive years are in line with best practices, and revise them, if appropriate.**

*DMSPC did not accept recommendation 3 and stated that the sick leave entitlement for staff with less than three years of continuous service is currently properly set and part of the social security benefits available to United Nations staff members based on best practices. Changes to sick leave entitlements would require: a review by the International Civil Service Commission (ICSC) in consultation with all common system organisations; a subsequent recommendation from the Commission to the General Assembly; and a change to the Staff Rules. It should also be noted that no issues regarding this entitlement have been reported internally in the Secretariat or by the separately administered funds and programmes. DMSPC resources are allocated based on issues identified as “pain points” through internal and external coordination mechanisms. OIOS notes the position stated by DMSPC and will record the recommendation as unaccepted by DMSPC in the OIOS recommendation monitoring system.*

#### Administration of special leave

24. Staff Rule 5.3 states that special leave may be granted at the request of staff holding a fixed-term or continuing appointment for advanced study or research in the interest of the United Nations, in cases of extended illness, for childcare or for other important reasons. As interpretation of “other important reasons” is entrusted to the heads of entities, special leave covered a broad range of situations.

25. During the audit period, there were 17,811 requests for special leave with pay (with a median duration of 3 days), 3,174 cases of special leave without pay (median duration of 22 days), and 105 cases of special leave with half pay (median duration of 22 days). The estimated cost of special leave with pay and half pay was \$36.5 million, including approximately \$3.5 million for sabbatical leave. OIOS performed a sample review of 120 special leaves with pay, 120 special leaves without pay, and 27 special leaves with half pay approved by 12 entities in the United Nations Secretariat.

26. Based on the review of documentation received from the entities, OIOS noted that some clauses of the policy were unclear. For example, the maximum duration of special leave without pay for family-related reasons is set at two years and can be extended for another two years in exceptional circumstances. However, the maximum duration of special leave without pay for other reasons was not defined in the policy. The guidance on HR portal reads, “special leave can normally be authorized for up to two years.” Of the sample of 120 special leave without pay cases, there were 11 cases exceeding two years that were not family related, including cases where the leave was taken consecutively for different reasons.

27. While OIOS considered recommending that OHR provide guidance on the maximum allowed duration of special leave without pay for non-family-related reasons, *OHR indicated that it was not in favour of regulating the duration of special leave without pay for non-family reasons to allow flexibility to managers and heads of entities depending on the circumstances.* Therefore, OIOS did not make at this point a recommendation on this issue.

## B. How effective is the recording, reporting, and monitoring of leave and attendance?

### Need to clarify requirements on reporting exceptions to administrative instructions on leave and attendance

28. With the implementation of the Secretary-General's management reforms and accountability framework effective 1 January 2019, the Secretary-General delegated to the heads of entities the authority to approve leave requests in terms of interval, place of home leave, and timing of annual leave, home leave and family visit. Heads of entities may also use their delegated authority to grant exceptions to human resources related administrative instructions within approved parameters.<sup>8</sup> All such exceptions must be reported to the Under-Secretary-General of DMSPC within four calendar days of the decision in the HR exception log.

29. BTAD, as part of its monitoring of delegation of authority function, monitors timeliness of heads of entities in reporting these exceptions through a key performance indicator and produces analysis reports. The reports showed that heads of entities reported 50, 229 and 144 exceptions relating to leave and attendance for 2019, 2020 and 2021 respectively, the details of which are provided in Table 5.

**Table 5: Type and number of exceptions reported in relation to leave and attendance from 2019 to 2021**

Types of exceptions	2019	2020	2021	Example of exceptions
Home leave	15	14	13	Interval and destination of leave
Maternity/Paternity leave	4	11	31	Timing of leave
Rest and recuperation	9	189*	95	Interval, special measures due to COVID-19
Special leave with full or half pay	6	10	3	Duration and reason for leave
Special leave without pay	9	3	2	Duration and reason for leave
Telecommuting	7	1	-	Duration of telecommuting
Sabbatical	-	1	-	Duration of leave
<b>Total</b>	<b>50</b>	<b>229</b>	<b>144</b>	

\* Includes 170 exceptions in connection with the application of the special measures due to COVID-19

30. OIOS review showed that reporting of exceptions relating to leave and attendance was not consistent or comprehensive. For example, there were inconsistencies in entities reporting exceptions granted by their heads for home leave travel to a destination other than the country of nationality or permanent residence of the staff member. Although the delegation of authority policy broadly states that heads of entities are required to report exceptions to human resources administrative instruction, entities applied different interpretations as to what constituted an exception as opposed to a discretionary decision (i.e., decisions taken in exceptional circumstances under conditions established in the Organization's policy framework). This resulted in inconsistency in the data captured in the exception log, which may undermine the ability of BTAD to generate meaningful statistics for effective monitoring.

31. To address this issue, DMSPC developed, in collaboration with DOS, a Guide on Granting Exceptions to Administrative Instructions with a focus on areas with the highest number of exceptions. The first release in March 2021 didn't cover exceptions in the areas of leave and attendance; however, DMSPC stated that an enhanced version of the guide would expand the scope.

32. An explicit instruction explaining the types of exceptions to be reported to BTAD would improve compliance, which was evident from the recent experience when the guidance note clarifying the reporting requirement on R&R leave due to COVID-19 immediately increased the number of reported exceptions, as

<sup>8</sup> Exceptions are granted provided that the exception: i) is not inconsistent with the United Nations Staff Regulations and Rules or any other decision of the General Assembly; ii) is agreed to by the staff member directly affected; and iii) is not prejudicial to the interests of any other staff member or group of staff members.

indicated in Table 5. Since each type of exception carries a different level of risk, it is also important to determine what is to be reported based on the level of risk and priority.

**(4) DMSPC should clarify the requirements for reporting exceptions to administrative instructions on leave and attendance under the authority delegated to heads of entities for human resources management, for improved compliance and effective monitoring.**

*DMSPC accepted recommendation 4 and stated that BTAD was working with policy and business owners in OHR and HRSD to expand the HR exceptions guide, which was expected to be issued in 2023.*

#### Need to assess the continued merit of time certification

33. To ensure accurate attendance information in Umoja, staff members are required to certify monthly their leave balances, absences and leave requests pending approval. Similarly, annual time statements are generated in Umoja on 29 April each year for staff to review and certify. The completion rate for 2018-2019 and 2019-2020 certifications ranged from 20-71 per cent<sup>9</sup> by entity as of 7 June 2022. Staff compliance in entities with the five lowest completion rates ranged from 20-24 per cent.<sup>10</sup> The overall completion rate in the United Nations Secretariat was about 40 per cent on average, which subsequently improved to 51 per cent by October 2022, after several reminders.

34. The low completion rates were due to the system issues, which caused delays in generating annual time statements in Umoja, staff's poor understanding of the control and resultant inaction, and lack of monitoring. Although the Organization periodically sent a reminder, such effort alone had limited impact in triggering staff's prompt actions.

35. Due to incomplete or continuously changing records, the utility of the time statements appears limited, which raised a question of the benefit of the exercise relative to the amount of administrative work. This was similarly observed in the recording of telecommuting under the flexible work arrangements, where staff are allowed to telecommute up to three days per week. In the review of attendance records of the staff in New York during March 2022, only about 56 per cent of the staff recorded telecommuting. It was not clear whether the rest (44 per cent) did not telecommute or failed to maintain accurate records.

36. For efficient use of resources and in light of increased focus on deliverables and management by results in the "Next Normal",<sup>11</sup> OIOS is of view that the Organization would benefit from assessing the continued validity of these attendance management practices, i.e., monthly and annual time certification and reporting of telecommuting, by weighing their merit vis-à-vis associated administrative work.

**(5) DMSPC should assess the continued validity of the monthly and annual time certification and recording of telecommuting in Umoja by weighing their effectiveness as a control mechanism against administrative burden on staff and administrative personnel.**

*DMSPC accepted recommendation 5 and stated that it would assess the continued validity of the monthly and annual time certification and recording of telecommuting in Umoja.*

<sup>9</sup> Based on 62 entities in the United Nations Secretariat with 100 and more staff.

<sup>10</sup> These entities were notified of the issue with a request to review and take action to ensure staff improve certification of attendance reports.

<sup>11</sup> The new work modality in the New York headquarters commenced on 4 April 2022.

### Need to align the role of staff and time managers in Umoja

37. For effective time monitoring, time managers need adequate visibility of staff members' daily activities. Each staff member is assigned to a time manager who is usually their direct supervisor and it is reflected in the role mapping in Umoja. OIOS observed mismatches of staff and their time managers. For instance, the time manager working in one entity was mapped to approve leave request for six staff in another entity. In another instance, the time manager was mapped to approve leave requests for 11 staff in different function. Also, a staff member who had left the entity was still shown as a time manager in Umoja. Umoja also allows a primary time manager to assign another person as a secondary time manager if changes in reporting lines were temporary; however, such actions did not take place in a timely manner.

38. DMSPC and DOS stated that misalignment of roles in Umoja was usually attributable to misalignment of the time management and organizational management modules. Entities are required to ensure that they establish parent and child organizational units and place positions within them that correspond with reporting lines. The Joint Umoja HR Support Team was available to provide guidance to entities on the assignment of time managers in Umoja. DMSPC and DOS could disseminate information in that regard.

### Need to improve data collection on certified sick leave for evidence-based and targeted interventions

39. The United Nations considers the health and well-being of its workforce as one of its priorities. To implement effective occupational safety and health, DHMOSH needed to analyze the main causes of staff illness, including certified sick leave requests under 20 days that are approved by HR Partners. About 81 per cent of certified sick leave were within 20 days. However, DHMOSH currently does not have the data or ability to analyze it, since Umoja only has an optional field for staff to input in free text the reason for certified sick leave request. This was rarely populated with meaningful information.

40. Further, documentation, including the diagnostic information for sick leave over 20 days, was submitted to medical officers by staff via email, which is not optimal for transmitting private and confidential information. Since the electronic occupational safety and health record management system (i.e., EarthMed) can store uploaded documents, it would be beneficial to explore the possible use of the system to transmit and retain medical documents. Recommendation 5 addresses these issues.

### Understanding sick leave patterns would aid in developing strategies to address observations

41. The nature of sick leave may differ by location, demography, gender, age or other factors. While recognizing certain limitations in the use of data analytics, understanding the patterns based on complete data sets is important to develop effective strategies to address actionable issues. OIOS observed certain patterns in the use of sick leave entitlement including the following.

#### a) Sick leave by gender

42. During the four leave cycles reviewed, Secretariat staff comprised about 60 per cent male and 40 per cent female, whereas 61 per cent of certified sick leave were taken by the male staff and 39 per cent by the female staff during the period. This indicates that sick leave taken by male and female staff is largely proportionate to the size of the respective groups. However, female staff took longer periods of certified

sick leave: 18 days per request on average, which was 3 days longer than male staff. This was in line with the general trend<sup>12</sup> of higher sick-related absences among female employees as found in multiple studies.

b) Sick leave incident rate by entity

43. The incident rates for sick leave (i.e., number of approved requests per capita) ranged between 0.21 and 2.63 per cent among entities. Table 6 lists entities with the 10 highest incident rates. While higher incident rates indicate a higher frequency of sick leave requests in proportion to the size of entities, they do not necessarily suggest higher levels of absences due to sickness, as the duration of leave varies from a half day to months per request. The average duration of sick leave for the 10 entities in Table 6 was 4.3 days. Table 7 shows the 10 entities with the largest number of staff who have taken more than 20 days of sick leave per cycle.<sup>13</sup> These entities may not have as many sick leave requests as the entities in Table 6, but the staff who availed of sick leave tended to be absent for longer periods of time.

**Table 6: Entities with the 10 highest incident rates of sick leave per cycle**

Entity (Duty station category <sup>14</sup> )	Average per cycle		
	No. of sick leave approvals (A)	Staff count (B)	Incident rate (A)/(B)
Entity 1 (Category H)	1,335	507	2.63
Entity 2 (Category H)	6,882	2,766	2.49
Entity 3 (Category H)	1,277	417	2.06
Entity 4 (Category H)	808	620	2.01
Entity 5 (Category H)	671	403	1.89
Entity 6 (Category H)	371	202	1.84
Entity 7 (Category C)	1,528	355	1.83
Entity 8 (Category C)	544	836	1.73
Entity 9 (Category H)	746	435	1.71
Entity 10 (Category H)	702	314	1.69

**Table 7: Entities with the largest number of staff taking 20 days or more of sick leave per cycle**

Entity (Duty station category)	Average per cycle	
	No. of staff who took ≥20 days of sick leave	Average sick leave days per subject staff
Entity 11 (Category E)	289	35.3
Entity 12 (Category C, D, E)	268	43.3
Entity 13 (Category H to E)	226	39.5
Entity 2 (Category H)	211	37.0
Entity 14 (Category D, E)	198	38.4
Entity 15 (Category E)	174	39.9
Entity 16 (Category E)	149	38.7
Entity 7 (Category C)	123	36.5
Entity 17 (Category H to E)	121	46.6
Entity 18 (Category E)	109	39.8

44. OIOS analysis also showed that the average duration of sick leave is affected by the degree of hardship in duty stations. For example, in the duty stations categorized as “D” and “E”, the duration of sick leave was about 10.1 days, about twice the duration of duty stations categorized as “A”, “B” or “C” (4.3 to 5.4 days) and four times the duration of the duty stations categorized as “H” (2.6 days) as shown in Table 8.

<sup>12</sup> KA Østby, A Mykletun, W Nilsen, (2018), Explaining the gender gap in sickness absence, Occupational Medicine, Vol. 68. Jane Herr, Radha Roy, Jacob Alex Klerman, (2020), *Gender differences in needing and taking leave*, Exhibit 4, 2018 Family and Medical Leave Act (FMLA) Employee Survey.

<sup>13</sup> Sick leave days are counted over a 12-month rolling period. For ease of calculation, the leave cycle period was used for this analysis.

<sup>14</sup> All duty stations are placed by ICSC in one of six categories: H for headquarters and similarly designated locations and A to E for all other duty stations with E being most difficult in conditions of life and work. Entities with more than one category indicated are present in more than one location.

**Table 8: Average duration of sick leave per staff by the category of duty stations**

Category	2018-2019	2019-2020	2020-2021	2021-2022	Average
<b>H</b>	2.5	2.4	2.9	2.9	<b>2.6</b>
<b>A</b>	5.6	4.7	5.8	5.9	<b>4.3</b>
<b>B</b>	4.1	4.2	7.1	5.9	<b>5.4</b>
<b>C</b>	4.7	4.9	7.0	5.8	<b>5.4</b>
<b>D</b>	9.9	9.4	11.1	10.2	<b>10.0</b>
<b>E</b>	9.8	9.1	12.0	11.1	<b>10.1</b>



45. The Organization has implemented measures against certain types of illnesses, but in the absence of complete data, it was yet to perform comprehensive trend analyses on sick leave that would aid it in developing strategies to improve staff well-being and guard against absences due to illness.

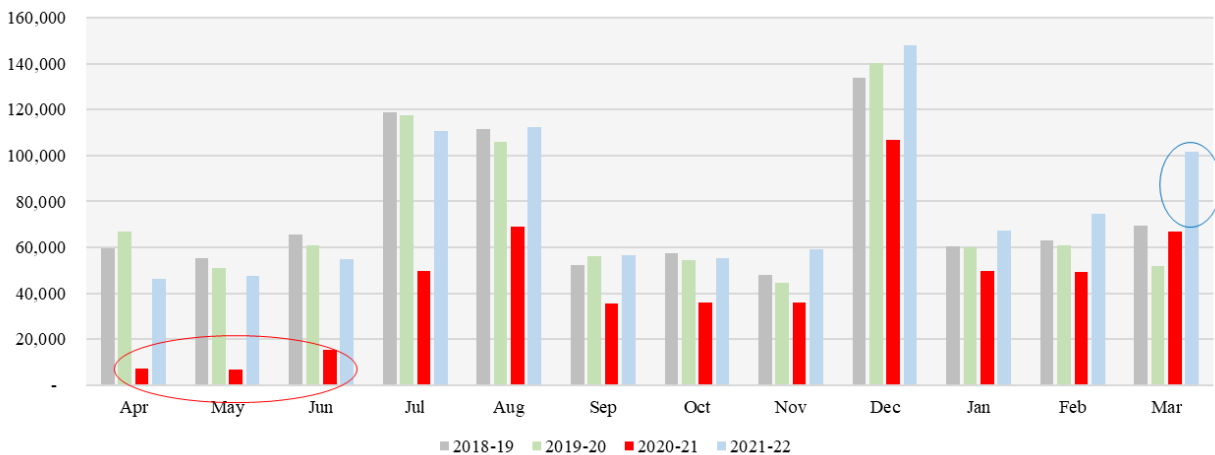
**(6) DOS should explore the extended use of Earthmed for: (a) collection of diagnostic information on the first 20 days of sick leave for comprehensive analysis and informed decision-making; and (b) transmission and retention of all medical data.**

*DOS accepted recommendation 6 and stated that there was already an agreement at the policy level that all requests for certified sick leave should be reviewed by DHMOSH regardless of whether it is for the first 20 days or not. OHR had initiated a revision of sick leave policies together with DHMOSH, which was awaiting finalization pending the conclusion of the present audit. DMSPC would provide necessary support for policy and enterprise system changes required to implement the capabilities described. This would, however, require identification of additional resources for DHMOSH and both policy and system changes.*

Need for continuous learning from the COVID-19 experience and proactive risk management

46. Following the announcement of office closure on 16 March 2020 due to the COVID-19 outbreak, the pattern of annual leave changed immediately. The divergences from previous cycles were most noticeable in April, May and June 2020 where the annual leave days taken dropped by 74-89 per cent compared to the same months in previous cycles as shown in Chart 1. Such behavioural change was also observed in March 2022 when an increased number of staff who had carried leave balances exceeding the maximum 60 or 18 days availed of annual leave before their expiration at the end of the cycle.

**Chart 1: Monthly comparison of annual leave days by cycle**





47. Large balances of annual leave were a natural consequence of travel and other restrictions imposed by many countries to contain the virus, but they were also impacted by the special measures taken by the Organization to respond to the unique circumstances brought by the COVID-19 outbreak. Such temporary measures increased the maximum: (a) accrued annual leave days that could be carried forward to the next cycle; (b) home leave points that could be accumulated; and (c) uncertified sick leave days. With these measures, the Organization aimed to prevent staff from losing their leave entitlement and being unduly exposed to the COVID-19 virus by having to visit hospitals and doctors' offices. OIOS assessed the efficacy of these special measures.

a) The increased threshold of annual leave that could be carried forward to the next cycle

48. As per the broadcast of 18 March 2020, the special measure permitted staff to carry forward any annual leave balance beyond 31 March 2020. Subsequently, the number of permissible annual leave over the 60 days limit was reduced to 15 days, allowing staff to carry forward a maximum of 75 days beyond 31 March 2021.<sup>15</sup> The measures were lifted on 1 January 2022.

49. During pre-COVID cycles (i.e., 2018-2019 and 2019-2020), 5,486 and 5,934 staff with regular contracts lost about 50,000 days of annual leave. Without the special measure, 12,067 and 9,629 staff would have lost 189,986 and 107,659 annual leave days at of 31 March 2020 and 2021 respectively as shown in Table 9. With the special measure, no staff lost any days on 31 March 2020 and only 2,814 staff (instead of 9,629) lost 25,711 days (instead of 107,659 days) on 31 March 2021. The special measure on annual leave prevented 25-32 per cent of staff members from losing their annual leave.

**Table 9: Number of staff and annual leave days impacted by the special measures**

As at 31 March:	Number of staff who lost/would have lost annual		Number of staff benefited from special measures (A)-(B)	Number of annual leave days lost/would have lost		Number of days carried forward due to special measures (A)-(B)
	Without special measures (A)	With special measures (B)		Without special measures (A)	Special measures (B)	
2018	5,486			48,362 days		
2019	5,934			50,017 days		
2020	12,067	0	12,067	189,986 days	0 days	189,986 days
2021	9,629	2,814	7,165	107,659 days	25,711 days	81,948 days

50. The Organization recognizes unused accumulated annual leave days as a financial liability, as those days are projected to be settled via a monetary payment upon staff separation. Twenty-four per cent of the staff who separated from the Organization during 2019-2020 had the maximum allowable annual leave balances (i.e., 60 days for staff with regular contracts or 18 days for staff with a temporary contract) or more at the time of separation. This was increased to 32 per cent and 31 per cent of the separated staff during 2020-2021 and 2021-2022 respectively. Despite the temporary cost increases pertaining to unused annual leave in the past two leave cycles, it is expected to be normalized over time as the leave pattern during 2021-2022 has returned to pre-pandemic levels as shown in Chart 1.

<sup>15</sup> As per the broadcast of 16 December 2020, the maximum number of accrued annual leave days over the 60 days limit was reduced to 15 days to be taken by 31 December 2021. Any annual leave balances above 82.5 days as of 31 December 2021 were forfeited on 1 January 2022.

b) The increased number of uncertified sick leave days

51. The special measure allowed staff to avail of 14 days of uncertified sick leave instead of the standard 7 days for the 2020-2021 cycle. It was then adjusted to 10 days for the 2021-2022 cycle and returned to the standard 7 days from the 2022-2023 cycle onwards. Compared to pre-COVID periods, the total number of uncertified sick leave days taken by staff increased by 23 and 19 per cent in the 2020-2021 and 2021-2022 cycles, respectively. Despite the increase, the measure turned out not to be really required as illustrated by two statistics. First, the average number of uncertified sick leave taken by staff during the periods affected by COVID-19 remained significantly below the threshold: 3.8 days out of the maximum 14 days for 2020-2021 and 3.7 days out of the maximum 10 days for 2021-2022 as shown in Table 10.

**Table 10: Uncertified sick leave per staff versus the maximum days allowed**

Cycle	2018-2019	2019-2020	2020-2021	2021-2022
Number of uncertified sick leave days taken (A)	114,390	118,457	143,461	138,705
Number of staff (B)	39,178	38,633	37,491	37,779
Uncertified sick leave days per staff (A)/(B) (Maximum days allowed)	2.9 (7.0)	3.1 (7.0)	3.8 (14.0)	3.7 (10.0)

52. Second, most staff (56-62 per cent) availed of less than 3 days of uncertified sick leave per cycle and there was no noticeable behavioural change with the special measure as shown in Table 11.

**Table 11: Breakdown of staff by the number of uncertified sick leave taken**

Range	2018-2019	%	2019-2020	%	2020-2021	%	2021-2022	%
0.0-3.0 days	22,772	58%	21,567	56%	23,189	62%	21,325	56%
3.5-6.5 days	8,942	23%	9,677	25%	4,807	13%	6,167	16%
7.0 days	7,465	19%	7,390	19%	1,052	3%	1,363	4%
7.5-9.5 days					2,015	5%	3,534	9%
10.0 days					766	2%	5,390	14%
10.5-13.5 days					2,304	6%		
14.0 days					3,359	9%		
Total	39,179	100%	38,634	100%	37,491	100%	37,779	100%

53. Also, the same behavioural pattern was observed for staff who availed of the maximum level of uncertified sick leave during the pre-COVID periods. Seventy-five per cent of the staff who exhausted 7 days of uncertified sick leave in the 2018-2019 and 2019-2020 cycles continued to take more than 7 days of uncertified sick leave in the following cycles, including 850 staff who exhausted the maximum entitlement days in all four cycles. DMSPC explained that the measures were designed to alleviate pressure on medical practitioners in cases where staff members could manage their symptoms without seeking medical care, and it was not meant to benefit all staff.

c) The increased threshold for accrued home leave points

54. The special measure on home leave points allowed staff to accrue home leave points up to 72 points instead of the standard 48 points between 1 February 2020 to 31 December 2021. It will be reduced to 60 points in January 2023. In the 2018-2019 and 2019-2020 cycles, about 3,000 staff lost 8.6 home leave points on average. With the special measure, however, only eight staff lost 4.3 points on average, which suggests that the measure prevented many staff from losing the home leave points.

55. At a time of uncertainty, the Organization acted swiftly to put in place special measures thereby fulfilling its duty of care for staff. Also, the Organization continuously reviewed the measures throughout

the pandemic and adjusted as necessary until reverting to normal. While it provided staff with much flexibility, it is important to draw lessons from the experience of special measures. For example, around 157 staff in critical functions related to the COVID-19 response in DOS and DMSPC (logistics, procurement, medical and human resources) lost 2,194 days of annual leave above the established threshold in 2020-2021 and 2021-2022 cycles. Therefore, in future emergencies, it may be worth considering special measures for certain cases or categories/functions of staff, rather than establishing a blanket solution for all staff.

#### Need to strengthen monitoring of deliverable and management of attendance at the working level

56. Once regarded as an exceptional arrangement, telecommuting became more widely accepted, accelerating the implementation of the flexible working arrangement in the United Nations Secretariat that was launched in 2003. With more staff telecommuting, the Organization needs to place greater trust on staff to timely and accurately record their absence from work. However, the Organization was yet to establish an effective monitoring mechanism, which poses a risk of failure to manage staff leave and attendance. In the review of “Next Normal” commenced in April 2022, OIOS noted the following as the important considerations in developing an effective monitoring mechanism.

a) The role of managers in leave and attendance management

57. In the Next Normal, the Organization is committed to strengthening accountability and performance by focusing on deliverables and management by results. It is necessary for managers to set realistic performance baselines for staff and monitor related activities more closely. Also, the ability to facilitate knowledge sharing among staff regardless of their work locations and keep them engaged is essential to maintaining productivity. Similarly, staff need to be accountable in managing their leave and attendance in a way to meet their performance baselines. For the successful adaptation to the new working environment, it would be beneficial for the Organization to systematically incorporate such qualities and actions of staff and managers in their performance goals in the Next Normal and beyond.

b) The extent of monitoring and data collection needs to be defined

58. Following the COVID-19 outbreak, many organizations in public and private sectors adopted new approaches to managing the attendance of employees by utilizing various system tools. The level of monitoring ranges from simply logging work hours by employees to tracking employee email activity, implementing project/task management applications, and surveillance via webcam. The United Nations Secretariat continues to rely on staff to record leave in Umoja without any tool for managers to enable effective monitoring of staff attendance. It might be beneficial to utilize the existing tools such as Microsoft Viva, which generates statistics on staff activities or other solutions to assist managers in fulfilling their management role while defining the extent of data collection and ensuring data privacy. DMSPC stated that the guidance and tools introduced during the COVID-19 pandemic to facilitate remote work could also be applied in the context of telecommuting.

### **C. How effective is the management of fraud risks relating to leave and attendance at enterprise and entity levels?**

#### Need to create effective deterrent to misuse of leave entitlements

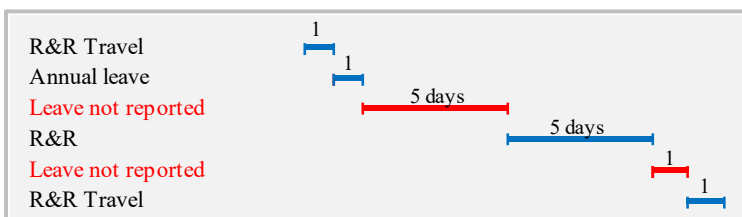
59. In its 2020 risk register, DOS recognized the failure to identify and prevent potential abuse of the leave management system as high risk. DMSPC also considers that the failure to ensure accountability of all categories of personnel in relation to the standards of conduct is a risk to its governance and operations.

As such, the Organization has endeavoured to strengthen the accountability system and cultivate a culture of ethics and integrity. Despite various initiatives including administration of the mandatory ethics and integrity training, there were no consistent and stringent measures taken to address the risk of abuse in the area of leave and attendance. In the review of various types of leave, OIOS noted that the following areas are of higher risk for abuse.

a. R&R combined with other types of leave

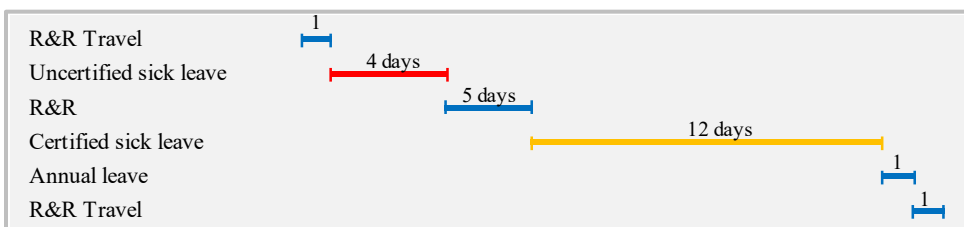
60. Pursuant to administrative instruction ST/AI/2018/10, absence on R&R is granted for five consecutive days in addition to travel time for designated duty stations. OIOS noted instances where staff failed to report their absence during R&R. One of the common practices is failing to record absence before and/or after R&R when R&R is combined with other types of leave. An example of such cases is shown below.

**Illustration 1: Absence not recorded during R&R**



61. Further, staff repeatedly used sick leave in conjunction with R&R. In some cases, the request for uncertified sick leave which was not family emergency<sup>16</sup> was submitted before R&R commenced, indicating a possible intention to use sick leave in lieu of annual leave to avail of a longer break. An example of such cases is shown below.

**Illustration 2: Example of combined leave types (Duration of leave: 24 days)**



62. Benchmarking showed that some organizations put restrictions on the use of uncertified sick leave, including inability to use it before and after annual leave, weekends and public holidays.

b. Certified sick leave for slightly less than 20 days in consecutive periods

63. DOS recognizes in its risk register that certain patterns of sick leave may indicate potential misuse. OIOS noted 234 instances where staff took certified sick leave for 20 days or slightly less in consecutive leave cycles,<sup>17</sup> including 10 repeated sick leave of 18 to 20 days in all the four leave cycles. The first 20 days of sick leave are granted based on compliance checks by HR Partners with a rejection rate of 8 per cent. The rejection rate by medical officers was higher. For example, DHMOSH rejection rate was 27 per

<sup>16</sup> The policy allows combining uncertified sick leave with R&R when it is related to a family emergency.

<sup>17</sup> Sick leave days are counted over a 12-month rolling period. For ease of calculation, the leave cycle period was used for this analysis.

cent for leave requests beyond 20 days. Repeated requests for 20 days or slightly less may indicate an intention to avoid medical review and possible rejection by medical officers.

c. Uncertified sick leave

64. The use of uncertified sick leave was highest in February and March every year, suggesting that staff may have availed of uncertified sick leave as discretionary leave before it expired. The trend was particularly prevalent in the 2020-2021 cycle with the special measure to increase the maximum threshold to 14 working days. There was a 111 per cent spike in the number of uncertified sick leave days in March 2021 (i.e., 18,090 days), compared to the average of other months in the year (i.e., 8,569 days). Uncertified sick leave is auto-approved, costing the Organization about \$45 million per annum.<sup>18</sup> The discretionary use of uncertified sick leave is a violation of Staff Rule 6.2<sup>19</sup> and equivalent to abuse of the entitlement.

d. Home leave

65. Home leave travel requires: (i) approval of the supervisor for absence; and (ii) approval of travel by the Travel Unit after review of the HR Partner. From April 2018 to March 2022, 17,062 requests for home leave travel were granted. As reported above, out of these, 472 cases showed that the staff submitted request for annual leave instead of home leave, which kept the home leave points unaffected. Further, 709 cases showed that the staff took home leave travel without applying for any leave, costing the Organization about \$3.2 million.

66. The risk of underreporting has been heightened by increased telecommuting after the COVID-19 outbreak as the visibility of staff attendance was significantly reduced. During the 2021-2022 cycle, there were about 2,500 staff who did not apply for or take any annual leave (including home leave and family visit leave). Of these, about half were staff in the professional category. The number also included at least 77 staff (23 Professional, 17 Field Service, 37 General Service) working in a function where periodic absence from the duty is required/encouraged for the purpose of fraud prevention and detection, such as investment management, procurement and finance. In a review of 200 cases where staff did not avail of annual leave, the staff explained that they failed to properly record leave due to forgetfulness, unfamiliarity with the system, and lack of system access.

67. While the honour-based system is inherently susceptible to abuse, it is generally difficult to substantiate staff's intention to deceive the Organization. It is therefore important for the Organization to create an effective deterrent by exhibiting a visible commitment to the prevention of abuse and fraud relating to leave and attendance through strengthened monitoring. Also, managers should be reminded of their role to prevent abuse of leave entitlement as the Anti-Fraud and Anti-Corruption Framework (ST/IC/2016/25) specifies that every manager is responsible for identifying and mitigating risks that might affect operations under his or her responsibility.

**(7) DMSPC should request heads of entities to review and take action on the areas of potential abuse and fraud schemes in recording leave and attendance that were identified during the present audit.**

<sup>18</sup> The cost is estimated based on the average number of uncertified sick leave days taken by staff per year and payroll for December 2021.

<sup>19</sup> States that a staff member may take uncertified sick leave for up to seven working days ..., when incapacitated for the performance of his or her duties by illness or injury. Part or all of this entitlement may be used to attend to family-related emergencies.

*DMSPC accepted recommendaiton 7 and stated that it intended to share the final OIOS report with heads of missions and Secretariat entities, highlighting systemic issues of possible fraud entitlement related to leave of absence, with a reminder that as responsible officials, it was important to conduct a risk management exercise, and to consider taking managerial action, if warranted. All allegations of possible unsatisfactory conduct by staff members, including allegations of fraud entitlement, should be reported by heads of entities with the support of their conduct and discipline teams or focal points in their respective duty stations. Upon review and assessment of the allegations, if the findings and conclusions of an investigation report establish that the fraud is substantiated, OHR will take disciplinary measures, including financial recovery action, as appropriate under ST/AI/2017/1.*

- (8) DMSPC should develop management dashboards and Umoja reports with pertinent information on leave and attendance patterns to assist heads of entities to conduct effective monitoring. These should include information: (a) on home leave travel without related leave requests; (b) staff not taking any leave over extended periods of time, especially those in investment management, procurement and finance functions; (c) timeliness of submission and approval of annual leave; (d) irregular entries of leave records above thresholds in Umoja; and (e) alignment of staff and time managers in Umoja.**

*DMSPC accepted recommendation 8 and stated that several Umoja ECC reports already exist. Throughout 2023, the Joint Umoja HR Support team will be finalizing requirements and working with the Enterprise Resource Planning Solution Division and BTAD on the development of time data models to support more robust time reporting.*

#### **IV. ACKNOWLEDGEMENT**

68. OIOS wishes to express its appreciation to the management and staff of DMSPC and DOS for the assistance and cooperation extended to the auditors during this assignment.

Internal Audit Division  
Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of leave and attendance in the United Nations Secretariat

Rec. no.	Recommendation	Critical <sup>20</sup> / Important <sup>21</sup>	C/ O <sup>22</sup>	Actions needed to close recommendation	Implementation date <sup>23</sup>
1	DMSPC should remind heads of entities of their responsibility to ensure timely submissions of annual leave requests and their prompt approval, and to monitor and address outstanding leave requests.	Important	O	Receipt of communications on the timely submission and approval of leave requests to staff, managers and heads of entities.	30 June 2023
2	DMSPC and DOS should provide guidance for retroactive adjustment of certified sick leave requests that were rejected by HR Partners and remained unresolved in Umoja as of 30 September 2022.	Important	O	Receipt of guidance and evidence of implementation of Umoja monitoring tool for rejected sick leave and resolution of rejected certified sick leave requests that remained unresolved as of 30 September 2022.	30 June 2023
3	DMSPC should, in consultation with DOS, assess whether the existing policies relating to: (a) maximum sick leave entitlement before and after three years of continuous service; and (b) establishing sick leave entitlement in rolling periods of four consecutive years are in line with best practices, and revise them, if appropriate.	Important	C	DMSPC accepts the risk of not implementing this recommendation.	
4	DMSPC should clarify the requirements for reporting exceptions to administrative instructions on leave and attendance under the authority delegated to heads of entities for human resources management, for improved compliance and effective monitoring.	Important	O	Receipt of the HR exceptions guide.	31 December 2023
5	DMSPC should assess the continued validity of the monthly and annual time certification and recording of telecommuting in Umoja by weighing their effectiveness as a control mechanism against	Important	O	Receipt of the results of the assessment.	31 December 2023

<sup>20</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>21</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

<sup>22</sup> Please note the value C denotes closed recommendations whereas O refers to open recommendations.

<sup>23</sup> Date provided by DMSPC and DOS in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of leave and attendance in the United Nations Secretariat

Rec. no.	Recommendation	Critical <sup>20</sup> / Important <sup>21</sup>	C/ O <sup>22</sup>	Actions needed to close recommendation	Implementation date <sup>23</sup>
	administrative burden on staff and administrative personnel.				
6	DOS should explore the extended use of Earthmed for: (a) collection of diagnostic information on the first 20 days of sick leave for comprehensive analysis and informed decision-making; and (b) transmission and retention of all medical data.	Important	O	Receipt of: (a) the revised policies on sick leave; (b) evidence of collection and analysis of diagnostic information for sick leave; and (c) evidence of transmission and retention of all medical data through Earthmed.	30 September 2023
7	DMSPC should request heads of entities to review and take action on the areas of potential abuse and fraud schemes in recording leave and attendance that were identified during the present audit.	Important	O	Receipt of evidence that DMSPC has requested heads of entities to review and take actions on the areas of potential abuse and fraud schemes that were identified during the audit.	31 December 2023
8	DMSPC should develop management dashboards and Umoja reports with pertinent information on leave and attendance patterns to assist heads of entities to conduct effective monitoring. These should include information: (a) on home leave travel without related leave requests; (b) staff not taking any leave over extended periods of time, especially those in investment management, procurement and finance functions; (c) timeliness of submission and approval of annual leave; (d) irregular entries of leave records above thresholds in Umoja; and (e) alignment of staff and time managers in Umoja.	Important	O	Receipt of management dashboard(s) and Umoja reports that facilitate monitoring of leave and attendance patterns by heads of entities.	31 December 2023



# **APPENDIX I**

## **Management Response**

## Management Response

## Audit of leave and attendance in the United Nations Secretariat

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	DMSPC should remind heads of entities of their responsibility to ensure timely submissions of annual leave requests and their prompt approval, and to monitor and address outstanding leave requests.	Important	Yes	Chiefs of Global Strategy and Policy Division (GSPD) and Strategic Policy Development Service (SPDS)	30 June 2023	DMSPC will continue to publish reminders in the form of broadcast messages to staff at large, communication to entities and/or to the human resources community Secretariat-wide reminding both staff and managers of their duties and obligations under the Staff Regulations and Rules. The implementation is fully delegated to Entities including prompt approval, monitoring and addressing outstanding leave requests.
2	DMSPC and DOS should provide guidance for retroactive adjustment of certified sick leave that were rejected by HR Partners and unresolved in Umoja as of 30 September 2022.	Important	Yes	Chief, Joint Umoja HR Support Team	30 June 2023	The Administration's comments were reflected in the draft report. The Administration, however, requests that the first sentence of the comments be amended to read " <i>...unresolved sick leave rejected by HR Partners before 1 October 2022 will be made available in the tool by the <del>end of 2022</del> second quarter of 2023.</i> "

<sup>1</sup> Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

<sup>2</sup> Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

## Management Response

## Audit of leave and attendance in the United Nations Secretariat

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3	DMSPC should, in consultation with DHMOSH, assess whether the existing policy relating to: (a) maximum sick leave entitlement before and after three years of continuous service; and (b) establishing sick leave entitlement in rolling periods of four consecutive years are in line with best practices, and revise it, if appropriate.	Important	No	N/A	N/A	DMSPC does not agree with this two-fold recommendation.  (a) the sick leave entitlement for staff with less than three years of continuous service is currently properly set and part of the social security benefits available to UN staff members based on best practices and taking into account the fact that UN staff members cannot benefit from their own national benefit systems in such instances; and (b) changes to sick leave entitlements would require: a review by the International Civil Service Commission in consultation with all common system organisations; a subsequent recommendation from the International Civil Service Commission to the General Assembly; and a change to the staff rules. It should also be noted that no issues with regard to this entitlement have been reported internally (in the United Nations Secretariat) or by the separately administered funds and programmes. DMSPC resources are allocated based on issues identified as “pain points” through internal and external coordination mechanisms

## Management Response

## Audit of leave and attendance in the United Nations Secretariat

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						(e.g., the Management Client Board and the Human Resources Network).
4	DMSPC should clarify the requirements for reporting exceptions to administrative instructions on leave and attendance under the authority delegated to heads of entities for human resources management, for improved compliance and effective monitoring.	Important	Yes	Chief of the BTAD/MDA Monitoring team	31 December 2023	BTAD is working with the policy and business owners in DMSPC/OHR and DOS/HRSD to expand the human resources exceptions guide, which is expected to be issued in 2023.
5	DMSPC should assess the continued validity of the monthly and annual time certification and recording of telecommuting in Umoja by weighing their effectiveness as a control mechanism against administrative burden on staff and administrative personnel.	Important	Yes	Chiefs of Global Strategy and Policy Division (GSPD) and Strategic Policy Development Service (SPDS)	31 December 2023	DMSPC accepts the recommendation and will assess the continued validity of the monthly and annual time certification and recording of telecommuting in Umoja.
6	DOS should explore the extended use of EarthMed for: (a) collection of diagnostic information on the first 20 days of sick leave for comprehensive analysis and informed decision-making; and (b) transmission and retention of all medical data.	Important	Yes	Director, DHMOSH	30 September 2023	The Administration's comments are reflected in the draft report.
7	DMSPC should request heads of entities to review and take action on the areas of potential abuse and fraud schemes in recording leave and attendance that were identified during the present audit.	Important	Yes	Director of ALD/OHR	31 December 2023	OHR notes that specific cases reference numbers are not identified in the OIOS draft audit report (the draft report) and understands that in this context "the cases of potential abuse and fraud that were identified"

Management Response

Audit of leave and attendance in the United Nations Secretariat

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>refers to systemic issues or pattern of irregularities, possible abuse or fraud entitlement to leave and attendance described at paras. 60 to 68 of the draft report.</p> <p>DMSPC intends to share the final OIOS report with Heads of Missions and Secretariat Entities, highlighting systemic issues of possible fraud entitlement related to leave of absence, with a reminder that as Responsible Officials, it is important to conduct a risk management exercise, and to consider taking managerial action, if warranted. All allegations of possible unsatisfactory conduct by staff members, including allegation of fraud entitlement, should be reported by Heads of Entities with the support of their Conduct and Discipline Teams or Focal Points in their respective duty stations. Upon review and assessment of the allegations, if the findings and conclusions of an investigation report establish that the fraud is substantiated, DMSPC/OHR will take disciplinary measures, including financial recovery action, as appropriate under ST/AI/2017/1.</p>

## Management Response

## Audit of leave and attendance in the United Nations Secretariat

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
8	DMSPC should develop management dashboards and Umoja reports with pertinent information on leave and attendance patterns to assist heads of entities to conduct effective monitoring. These should include information: (a) on home leave travel without related leave requests; (b) staff not taking any leave over extended periods of time, especially those in investment management, procurement and finance functions; (c) timeliness of submission and approval of annual leave; (d) irregular entries of leave records above thresholds in Umoja; and (e) alignment of staff and time managers in Umoja.	Important	Yes	Chief, Joint Umoja HR Support Team	31 December 2023	As stated previously, Umoja ECC reports already exist to address items (a) to (e) of the recommendation. Throughout 2023, the joint Umoja HR Support team will be finalizing requirements and working with ERPSD and BTAD on the development of time data models to support more robust time reporting.