



## **INTERNAL AUDIT DIVISION**

### **REPORT 2013/131**

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#### **Audit of accounts receivable and payable in the United Nations Stabilization Mission in Haiti**

**Overall results relating to the effective management of accounts receivable and payable in the United Nations Stabilization Mission in Haiti were initially assessed as partially satisfactory. Implementation of six important recommendations remains in progress**

**FINAL OVERALL RATING: PARTIALLY SATISFACTORY**

**18 December 2013  
Assignment No. AP2013/683/05**

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# AUDIT REPORT

## Audit of accounts receivable and payable in the United Nations Stabilization Mission in Haiti

### I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of accounts receivable and payable in the United Nations Stabilization Mission in Haiti (MINUSTAH).
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 MINUSTAH Finance Section was responsible for the management of accounts receivable and payable and was governed by the United Nations Financial Regulations and Rules, the Field Finance Procedure Guidelines and Staff Rules. Accounts receivable and payable in MINUSTAH included balances due either from or to: staff members; vendors; project implementing partners; and other United Nations entities. The Finance Section was headed by a Chief Finance Officer at the P-4 level and had 38 approved posts. As at 30 April 2013, MINUSTAH had accounts receivable totaling \$15.1 million and accounts payable totaling \$1.3 million.
4. Comments provided by MINUSTAH are incorporated in italics.

### II. OBJECTIVE AND SCOPE

5. The audit was conducted to assess the adequacy and effectiveness of MINUSTAH governance, risk management and control processes in providing reasonable assurance regarding the **effective management of accounts receivable and payable in MINUSTAH**.
6. The audit was included in the OIOS 2013 risk-based work plan because of the financial and operational risks relating to the potential lack of reliable and accurate accounts receivable and payable opening balances for the adoption of International Public Sector Accounting Standards (IPSAS).
7. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this control as the one that provides reasonable assurance that policies and procedures: (a) exist to guide the management of accounts receivable and payable; (b) are implemented consistently; and (c) ensure the reliability and integrity of financial and operational information.
8. The key control was assessed for the control objective shown in Table 1.
9. OIOS conducted this audit from May to September 2013. The audit covered the period from 1 January 2012 to 30 April 2013 and reviewed the: (a) accuracy of accounts receivable and payable balances; (b) monitoring of accounts receivable and payable through ageing, collection and reporting; and (c) implementation of financial year end closing instructions issued by the Department of Management.
10. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through

interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

### III. AUDIT RESULTS

11. The MINUSTAH governance, risk management and control processes examined were initially assessed as **partially satisfactory** in providing reasonable assurance regarding the **effective management of accounts receivable and payable in MINUSTAH**. OIOS made seven recommendations to address the issues identified. MINUSTAH properly recorded accounts receivable and payable, and balances were adequately supported. In 2013, MINUSTAH started to closely monitor and follow up on outstanding balances of accounts receivable and payable and unliquidated obligations. However, there was a need to ensure: (a) timely settlement of receivables including advances to staff members and for community violence reduction and quick-impact projects; (b) recovery of administrative fees for services rendered to United Nations entities; (c) improvements in the staff check-out process; and (d) updated time and attendance data to accurately calculate accrued liabilities.

12. The initial overall rating was based on the assessment of the key control presented in Table 1. The final overall rating is **partially satisfactory** as implementation of six important recommendations remains in progress.

**Table 1: 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 management of accounts receivable and payable in MINUSTAH	Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
<b>FINAL OVERALL RATING: PARTIALLY SATISFACTORY</b>					

### Regulatory framework

#### Receivables were properly recorded and adequately supported

13. As at 30 April 2013, MINUSTAH had accounts receivable totaling \$15.1 million including: (a) advances to staff members; (b) advances to implementing partners of the community violence reduction and quick-impact projects; and (c) amounts recoverable for the provision of common services to United Nations agencies, funds and programmes. Based on a review of 50 transactions relating to receivables totaling \$6.8 million, OIOS concluded that outstanding balances were properly recorded and adequately supported.

#### Long outstanding receivables needed to be resolved

14. The Field Finance Procedure Guidelines required prompt collection and settlement of accounts receivable balances through regular follow-up for recovery from entities and individuals. Further, the closing instructions issued by the Department of Management on 29 April 2013 required missions to undertake rigorous follow-up and cleansing of long outstanding accounts receivable balances to ensure

the preparation of accurate opening balances as of 1 July 2013. These instructions also required missions to seek approval from the Controller for write-off of accounts that were deemed irrecoverable.

15. The Finance Section did not regularly follow up on accounts receivable. As a result, MINUSTAH had \$2.8 million in accounts receivable outstanding for more than one year and \$3.4 million outstanding for between six months and one year. The following were also noted:

- The Finance Section did not settle travel advances paid to staff in a timely manner. This resulted as staff members did not submit travel claims within the stipulated two-week timeline after completion of official travel and the Finance Section did not systematically recover unsettled advances in accordance with the Field Finance Procedure Guidelines. A review of 30 outstanding travel advances paid to staff indicated that the Mission did not follow up and recover travel advances in 19 cases totaling \$17,638. A further review of a sample of 25 staff accounts whose outstanding balances had increased between 31 December 2012 and 30 April 2013 showed that additional travel advances were disbursed to eight staff members that already had outstanding balances;
- MINUSTAH did not adequately track and settle project receivables. Advances for 44 quick-impact projects totaling \$1.6 million were outstanding from one to three years although such projects were required to be completed within three months. Also, there were advances totaling \$600,000 relating to 32 community violence reduction projects. MINUSTAH took action at the time of the audit, including: (a) settling 22 quick-impact projects valued at \$911,366 and writing off six accounts valued at \$36,943; and (b) clearing balances of \$164,400 relating to 11 community violence projects; and
- MINUSTAH had difficulties in collecting about \$2 million from other United Nations agencies, funds and programmes on charges for common services provided by MINUSTAH. In addition, MINUSTAH did not recover administrative fees. This was due to the lack of an approved memorandum of understanding. MINUSTAH had prepared a memorandum of understanding which was approved by the Controller in October 2013, but it had not been signed by the respective agencies.

16. The Finance Section explained that its restructuring in 2012 led to a reduction of 15 posts for about six months which contributed to the lack of adequate follow-up on receivables. The Finance Section also advised that prior to 2013, it only reviewed accounts receivable and payable as part of the year-end closing procedures. In March 2013, the Finance Section established a task force to clean up long outstanding accounts receivable and payable balances. These clean-up activities resulted in a reduction in accounts receivable from \$15.1 million at 30 April 2013 to \$7.5 million at 30 June 2013.

**(1) MINUSTAH should establish an action plan for collecting accounts receivable and develop an adequate process for continuously monitoring and following up long outstanding balances.**

*MINUSTAH accepted recommendation 1 and stated that the Finance Section had established a monitoring system to ensure that accounts receivable are recovered in a timely manner. Monthly ageing reports would be prepared and distributed to relevant units for review and recovery action. Recommendation 1 remains open pending receipt of evidence that MINUSTAH has implemented an adequate system to regularly monitor and settle long outstanding receivables.*

**(2) MINUSTAH should implement procedures to: (a) ensure that travel advances to staff**

**members are settled in a timely manner in accordance with the Field Finance Procedure Guidelines; and (ii) track and monitor advances provided to implementing partners to ensure that they are settled in a timely basis.**

*MINUSTAH accepted recommendation 2 and stated that it would use the Umoja system's automatic recovery feature to recover travel advances not accounted for. It would also use the project management tool in Umoja to track project advances. Recommendation 2 remains open pending receipt of evidence that advances to staff members and project implementing partners are being monitored and settled in a timely manner.*

**(3) MINUSTAH should take action to: (a) ensure that concerned United Nations entities sign the approved memorandum of understanding governing the provision of common services by the Mission; and (ii) recover administrative fees for services already provided.**

*MINUSTAH accepted recommendation 3 and stated that the proposed memoranda of understanding had been sent to relevant United Nations agencies, funds and programmes for their signature. Recommendation 3 remains open pending receipt of a copy of the signed memorandum of understanding and evidence of reimbursement for services already rendered.*

#### The staff check-out process needed improvement

17. MINUSTAH used the electronic Field Support Suite to facilitate and document the check-out process of departing staff, including the process to recover and clear any outstanding accounts receivable. However, the procedures for settling receivables as part of this process was not effective, as sections responsible for communicating outstanding amounts such as telephone and rental charges did not inform the Finance Section in a timely manner. For example, 46 staff members that checked out of the Mission between 1 January 2012 and 30 April 2013 still owed MINUSTAH a total of \$49,846. Also, as a result of these lax controls, MINUSTAH had already recommended the write-off of \$50,460 related to another 37 staff members that had left the Mission.

**(4) MINUSTAH should strengthen its check-out procedures to ensure that each section/unit involved in the check-out process provides the Finance Section and complete information, in a timely manner, of recoverable amounts due from departing staff members.**

*MINUSTAH accepted recommendation 4 and stated that it would issue an administrative instruction to all sections requiring them to promptly notify the Finance Section of any amounts due from staff checking out from the Mission. The Finance Section would then recover the amounts due. Recommendation 4 remains open pending receipt of a copy of the administrative instruction on improvements to the check-out process.*

#### Monitoring of outstanding payables needed to improve

18. The IPSAS Opening Balance Plan and closing instructions issued by the Department of Management required peacekeeping missions to review and clean up old outstanding accounts payable accounts.

19. As at 30 April 2013, MINUSTAH had \$1.3 million in accounts payable to staff, vendors, United Nations agencies, funds and programmes, and for quick-impact projects. Of the total amount, \$156,000 or 12 per cent was outstanding for over two years and \$218,000 or 17 per cent was outstanding for one year. This was mainly due to the lack of timely follow-up caused by either missing documentation to support the amount payable, or the lack of accurate banking details.

20. At the time of the audit, the Finance Section was making progress in resolving long outstanding payables and as of 30 June 2013, had cleared all but \$103,000 that had been outstanding since 2010 and 2011.

**(5) MINUSTAH should regularly review accounts payable and clear long outstanding balances and ensure that accurate banking information is obtained from staff members and vendors to avoid delays in processing payments.**

*MINUSTAH accepted recommendation 5 and stated that it would ensure that accurate banking details are maintained in the Umoja system. Further, the “due date” functionality in Umoja would enable the Finance Section to process payments promptly. Recommendation 5 remains open pending receipt of evidence that MINUSTAH regularly reviews and resolves long outstanding payables.*

#### Inadequate monitoring of unliquidated obligations

21. The IPSAS Opening Balance Plan and closing instructions issued by the Department of Management required peacekeeping missions to review unliquidated obligations on a weekly basis up until 30 June 2013, and reconcile related balances in the procurement and financial systems.

22. As at 30 April 2013, MINUSTAH had unliquidated obligations totaling \$61.4 million including \$57 million that was older than one year. Self-accounting units did not thoroughly review and validate their unliquidated obligations, and the Finance Section did not perform the required reconciliations between the procurement and financial systems.

23. In June 2013, the Director of Mission Support issued detailed guidelines that required self-accounting units to review and certify the accuracy and validity of their unliquidated obligations. As a result, the balance of unliquidated obligations decreased to \$38 million as at 30 June 2013.

**(6) MINUSTAH should regularly review and reconcile unliquidated obligations for accuracy and validity.**

*MINUSTAH accepted recommendation 6 and stated that the reconciliation of unliquidated obligations had been completed. Ongoing reconciliations would be done automatically in Umoja. Based on the action taken by MINUSTAH, recommendation 6 has been closed.*

#### Leave records needed to be updated

24. The instructions issued by the Department of Management required missions to calculate accrued liabilities for unused annual leave days of national staff, update attendance data for international staff and accrue liabilities for other staff benefits earned as at 30 June 2013.

25. MINUSTAH had calculated \$3.4 million in accrued liability for unused annual leave days for national staff which was based on leave balances recorded in the Field Support Suite system as at 30 June 2013. However, due to incomplete leave records, OIOS was unable to review the accuracy of the accrued liability. The Personnel Section had not completed the reconciliation of leave balances in the Field Support Suite system with monthly attendance reports, which was required to accurately calculate the liability. This was because some staff members had not submitted leave reports and in some cases, section chiefs had not approved leave records in the Field Support Suite system. As a result, there was an unmitigated risk that accrued liabilities for staff entitlements were not accurate.

**(7) MINUSTAH should implement procedures to ensure that: (a) staff members submit leave reports in the Field Support Suite in a timely manner; (b) section chiefs review and approve promptly leave records of staff members; and (c) the Civilian Personnel Section reconciles leave records in the Field Support Suite with the monthly attendance reports and updates the Integrated Management Information System.**

*MINUSTAH accepted recommendation 7 and stated that the Director of Mission Support had issued instructions to all section chiefs on time management and attendance records. MINUSTAH reorganized the Civilian Personnel Section Cell to ensure that the reconciliation of time and attendance records would be completed in a timely manner. Recommendation 7 remains open pending receipt of evidence that MINUSTAH has completed the reconciliation of time and attendance data in the Field Support Suite system with monthly attendance reports for all staff members.*

#### **IV. ACKNOWLEDGEMENT**

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

(Signed) David Kanja  
Assistant Secretary-General for Internal Oversight Services



## STATUS OF AUDIT RECOMMENDATIONS

## Audit of accounts receivable and payable in the United Nations Stabilization Mission in Haiti

Recom. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	MINUSTAH should establish an action plan for collecting accounts receivable and develop an adequate process for continuously monitoring and following up long outstanding balances.	Important	O	Receipt of evidence that MINUSTAH has implemented an adequate system to regularly monitor and settle long outstanding receivables.	30 June 2014
2	MINUSTAH should implement procedures to: (a) ensure that travel advances to staff members are settled in a timely manner in accordance with the Field Finance Procedure Guidelines; and (ii) track and monitor advances provided to implementing partners to ensure that they are settled in a timely basis.	Important	O	Receipt of evidence that advances to staff members and project implementing partners are being monitored and settled in a timely manner.	31 December 2013
3	MINUSTAH should take action to: (a) ensure that concerned United Nations entities sign the approved memorandum of understanding governing the provision of common services by the Mission; and (ii) recover administrative fees for services already provided.	Important	O	Receipt of a copy of the signed memorandum of understanding and evidence of reimbursement for services already rendered.	31 December 2014
4	MINUSTAH should strengthen its check-out procedures to ensure that each section/unit involved in the check-out process provides the Finance Section with complete information in a timely manner of recoverable amounts due from departing staff members.	Important	O	Receipt of a copy of the administrative instruction on improvements to the check-out process.	30 June 2014

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

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

<sup>3</sup> C = closed, O = open

<sup>4</sup> Date provided by MINUSTAH in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of accounts receivable and payable in the United Nations Stabilization Mission in Haiti

Recom. no.	Recommendation	Critical <sup>5</sup> / Important <sup>6</sup>	C/ O <sup>7</sup>	Actions needed to close recommendation	Implementation date <sup>8</sup>
5	MINUSTAH should regularly review accounts payable and clear long outstanding balances and ensure that accurate banking information is obtained from staff members and vendors to avoid delays in processing payments.	Important	O	Receipt of evidence that MINUSTAH regularly reviews and resolves long outstanding payables.	30 June 2014
6	MINUSTAH should regularly review and reconcile unliquidated obligations for accuracy and validity.	Important	C	Action taken	Implemented
7	MINUSTAH should implement procedures to ensure that: (a) staff members submit leave reports in the Field Support Suite in a timely manner; (b) section chiefs review and approve promptly leave records of staff members; and (c) the Civilian Personnel Section reconciles leave records in the Field Support Suite with the monthly attendance reports and updates the Integrated Management Information System.	Important	O	Receipt of evidence that MINUSTAH has completed the reconciliation of time and attendance data in the eFSS system with monthly attendance reports for all staff members.	30 June 2014

<sup>5</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>6</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>7</sup> C = closed, O = open

<sup>8</sup> Date provided by MINUSTAH in response to recommendations.

# **APPENDIX I**

## **Management Response**



TELEFAX TRANSMISSION

Outgoing fax msg no:		Page 1 of 6
To:	Ms. Eleanor T. Burns Chief, Peacekeeping Audit Service, IAD, OIOS, UNHQ, NY	From: Sandra Honoré Special Representative of the Secretary-General, MINUSTAH, Port-au-Prince
Fax no:	3-3388 (via email)	Fax no: 7-9080
Info:	Ms. Amy Wong (wong6@un.org) Mr. Iswari Bhattarai (bhattarai2@un.org)	Date: 09 December 2013 Ref: AP2013/683/05
Subject:	<b>Assignment No AP2013/683/05 – Audit of receivable and payable function in MINUSTAH - Mission Response to Draft Report</b>	

1. Reference is made to your memorandum dated 11 November 2013, on the above mentioned subject, under cover of which you forwarded the OIOS overall results relating to the audit of receivable and payable function in MINUSTAH.

2. Please find attached MINUSTAH's comments on the recommendations as requested.

Best regards.

Drafted by:		Cleared by:	
K. Zillner, AA O/DMS		L. Khalouta, OIC AS	

**APPENDIX I**

**Management Response**

**Audit of accounts receivable and payable in the United Nations Stabilization Mission in Haiti**

Rec. no.	Recommendation	Critical <sup>9</sup> / Important <sup>10</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MINUSTAH should establish an action plan for collecting accounts receivable and develop an adequate process for continuously monitoring and following up long outstanding balances.	Important	Yes	Finance Section	30 Jun 2014	MINUSTAH Mission Support is coordinating its Finance Section, Human Resources Section (both United Nations Police and Civilian), Communication and Information Technology Section and Claims Unit to ensure that timely recovery of charges takes place. A monitoring system has been established which was reviewed and commented upon by the Auditors during the last Board of Auditors audit. The system runs the monthly ageing reports which are distributed to relevant Units for action, after which Recovery Teams follow on the recovery action. Since the last update provided, MINUSTAH'S Finance Section has been in the phase of transition from its legacy system to the new Enterprise Resource Planning (ERP) system. The benefits of the new ERP system in facilitating recoveries are still to be assessed, however, the creation of Business Partner's will ensure that all personnel will be using a common system and as such, it is envisaged that recoveries will be made much more easier than during the period of using the legacy SUN system.

<sup>9</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>10</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

APPENDIX I

Management Response

Audit of accounts receivable and payable in the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical <sup>11</sup> / Important <sup>12</sup>	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
2	MINUSTAH should implement procedures to: (a) ensure that travel advances to staff members are timely settled in accordance with the Field Finance Procedure Guidelines; and (ii) track and monitor advances provided to implementing partners to ensure that they are settled in a timely manner.	Important	Yes	Finance Section	31 Dec 2013	(i) With implementation of Umoja, there are features where in advance travel is categorized and classified and is given due date for recovery. This will automatically trigger the recovery action if F10 Claims are not submitted in a timely manner. Details of this will be reviewed and staff will be informed of the instruction through broadcast. (ii) Under IPSAS, the advances provided to implementing partners in relation to quick impact projects and community violence reduction projects are not considered as advances any longer as they are now classified as expenses. These expenses will be monitored by the Project Managers via the project management tool in Umoja.
3	MINUSTAH should take action to: (i) ensure that concerned United Nations entities sign the approved memorandum of understanding governing the provision of common services by the Mission; and (ii) recover administrative fees for services already provided.	Important	Yes	Legal Affairs	31 Dec 2014	On 13 September 2013, MINUSTAH received the final draft of the memorandum of understanding (MOU) as approved by the Controller's Office for sharing and collecting signatures of the United Nations Agencies who wish to be part of it. The draft was immediately sent to United Nations Development Programme administrator on the same day for him to coordinate with participating Agencies. The Agency representatives submitted the draft to their respective Headquarters (HQ)/Legal Services, seeking advice prior to signing the MOU. To date, 27 November, the Agencies have not yet received answers from their HQ/Legal Services.

<sup>11</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>12</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

**APPENDIX I**

**Management Response**

**Audit of accounts receivable and payable in the United Nations Stabilization Mission in Haiti**

Rec. no.	Recommendation	Critical <sup>13</sup> / Important <sup>14</sup>	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
4	MINUSTAH should strengthen its check-out procedures to ensure that each section/unit involved in the check-out process provides the Finance Section with timely and complete information of recoverable amounts due from departing staff members.	Important	Yes	Finance Section	30 Jun 2014	The Director of Mission Support will issue an inter-office memo (IOM) to all self-accounting units instructing that Finance Section should be immediately notified of any recoverable amounts identified against a staff member under checkout to enable Finance Section to instigate the recovery process in a timely fashion. In addition, Umoja now facilitates to ensure that if the staff members have any recoveries, while issuing payment it will automatically require recovering the receivable amount. This is a significant change from the legacy system where staff had to go and review the accounts receivable before issuing payments.
5	MINUSTAH should regularly review accounts payable and clear long outstanding balances and ensure that accurate banking information is obtained from staff members and vendors to avoid delays in processing payments.	Important	Yes	Finance Section	30 Jun 2014	Umoja facilitates due date system, so all withheld funds have a due date and will go into payment run category on the due dates facilitating timely payments. A significant change is that while creating Business Partners there is a requirement that all staff and UNPOL's have to provide details of their address and banking information. The system, application and product feature also checks for banking information.
6	MINUSTAH should regularly review and reconcile unliquidated obligations for accuracy and validity.	Important	Yes	Finance Section	01 Nov 2013	The recommendation has been fully implemented since the Umoja implementation and the feature of reconciliation is within the system as supply relationship management and enterprise central component are within the same (SAP) system.

<sup>13</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>14</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

APPENDIX I

Management Response

Audit of accounts receivable and payable in the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical <sup>15</sup> / Important <sup>16</sup>	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
7	MINUSTAH should implement procedures to ensure that: (i) staff members timely submit leave reports in the Field Support Suite; (ii) sections chiefs promptly review and approve leave records of staff members; and (iii) the Civilian Personnel Section reconciles leave records in the Field Support Suite with the monthly attendance reports and update the Integrated Management Information System.	Important	Yes	Personnel Section	30 Jun 2014	<b>(i)</b> A broadcast will be sent to all international and national staff instructing that all leave records are to be updated and that all leave reports must be submitted in a timely manner prior to the commencement of leave and that failure to do so will result in the loss of leave credits in the system and any unauthorized absences. <b>(ii)</b> The Director of Mission Support issued an IOM on 28 August 2013 to all Section Chiefs that establishes roles and responsibilities of all stake-holders in time and attendance management. A reminder was sent again on 23 September 2013 instructing Section Chiefs to take immediate action on staff leave records and instructing them to sign the leave reports as soon as staff come back from leave. Another reminder will be sent and will include statistics on the number of pending leave records in the system. <b>(iii)</b> In order to reconcile leave records in eFSS with the monthly attendance reports and update the Integrated Management Information System, the Civilian Personnel Section has recently reorganized its Time and Attendance Cell by concentrating the time and attendance subject-matter experts in one place and adding additional resources to compliment the Cell. In addition, the Civilian Personnel Section has been conducting cleansing of the eFSS data since August 2013. The Mission will explore whether attendance monitors in each Section or Region can be utilized as an additional monitoring mechanism to assure that records are up to date to the greatest extent possible.

<sup>15</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>16</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.