OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2014/145

Audit of Umoja deployment in the African Union-United Nations Hybrid Operation in Darfur

Overall results relating to the effective management of Umoja deployment in the African Union-United Nations Hybrid Operation in Darfur were initially assessed as partially satisfactory. Implementation of four important recommendations remains in progress

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

19 December 2014
Assignment No. AP2014/634/11

CONTENTS

AUDIT REPORT

Audit of Umoja deployment in the African Union-United Nations Hybrid Operation in Darfur

I. BACKGROUND

1.   The Office of Internal Oversight Services (OIOS) conducted an audit of Umoja deployment in the African Union-United Nations Hybrid Operation in Darfur (UNAMID).

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.   In 2008, the General Assembly, in its resolution 63/262, approved the implementation of Umoja, an administrative reform initiative of the United Nations Secretariat that included a thorough streamlining of the Organization's business processes. Umoja is an enterprise resource planning solution based on the Systems, Applications and Products software (commonly known as SAP), an application that supports management activities related to finance, budget, human resources, supply chain, central support services and other core business functions. This integrated system would replace and integrate numerous existing legacy information systems in use across the Organization.

4.   Under the cluster 1 deployment, the following Umoja modules were deployed in UNAMID on 1 November 2013: finance, supply chain, project management and sales and distribution. The Umoja deployment team in UNAMID had a total of 21 members comprising 2 deployment coordination committee members, 10 local process experts, 6 site assistants and 3 technical focal group members.

5.   Comments provided by UNAMID are incorporated in italics.

II. OBJECTIVE AND SCOPE

6.   The audit was conducted to assess the adequacy and effectiveness of UNAMID governance, risk management and control processes in providing reasonable assurance regarding the **effective management of Umoja deployment in UNAMID.**

7.   The audit was included in the 2014 risk-based work plan of OIOS due to the operational risks relating to Umoja deployment.

8.   The key controls tested for the audit were: (a) risk assessment; and (b) project management. For the purpose of this audit, OIOS defined these key controls as follows:

   (a)   **Risk assessment -** controls that provide reasonable assurance that risks relating to Umoja deployment are identified and analyzed as a basis for determining how the risks should be managed.

   (b)   **Project management -** controls that provide reasonable assurance that there was an appropriate project management mechanism to achieve the strategic goals defined for the deployment of Umoja, including: (i) adequate financial resources; (ii) adequate and competent human resources; and (iii) appropriate project management tools, methodology and systems.

9.   The key controls were assessed for the control objectives shown in Table 1. Certain control objectives shown in Table 1 were not relevant to the scope defined for this audit.

10.   OIOS conducted the audit in September 2014. The audit covered activities relating to Umoja deployment for the period December 2012 to July 2014, and included preparatory and change management activities outlined in the Umoja deployment guide such as training and communication, data migration, mapping of roles and relevant documentation requirements.

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

III.   AUDIT RESULTS

12.   The UNAMID governance, risk management and control processes examined were initially assessed as **partially satisfactory**[1] in providing reasonable assurance regarding the **effective management of Umoja deployment in UNAMID**. OIOS made five recommendations to address the issues identified. User access roles were mapped in Umoja in accordance with requirements, and preparatory activities prior to going live were performed according to the cutover plan. However, UNAMID needed to ensure that: (a) data required to quantify expected benefits from implementing Umoja was collected; (b) process impact assessments were documented; (c) business partner details were accurate to avoid delays in migration of data; and (d) required project and risk management plans and status reports such as realization scorecards and operational readiness reports were prepared.

13.   The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of four important recommendations remains in progress.

Table 1: Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of Umoja deployment in UNAMID	(a) Risk assessment	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
	(b) Project management	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

---

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

A.   Risk assessment

The deployment team was not fully constituted in a timely manner

14.   The Umoja deployment guide provided that the Umoja deployment team constituted of the deployment team lead, team assistants, training coordinator, trainers, communication officers, local process experts and technical focal points.

15.   UNAMID established the Umoja deployment team on 4 December 2012 consisting of core governance and technical focal points, local process experts, and site assistants. However, UNAMID did not appoint trainers and communication officers. For example, the UNAMID training coordinator was only appointed on 22 August 2013, and as a result, there was a less than 27 per cent of course completion rate for Umoja users. Also, due to the lack of communication officers, UNAMID had not developed a communication plan, resulting in information on Umoja only being disseminated the week before Umoja went live. As a result of not fully deploying the Umoja team, the deployment guide was not fully complied with because management did not attach importance to some team roles.

> **(1) UNAMID should appoint a training coordinator, trainers and communication officers to the Umoja deployment standing team as required.**
>
> *UNAMID accepted recommendation 1 and stated that it had appointed trainers and communication officers.* Based on the action taken by the Mission, recommendation 1 has been closed.

There was a delay in migrating business partner details from legacy systems into Umoja

16.   The Umoja core team cutover plan required UNAMID to submit validated data object relating to business partners to the Umoja core team in Headquarters on 16 October 2013 to allow this information to be uploaded in Umoja on 17 October 2013. During the period 18 to 31 October 2013, after decommissioning the legacy systems and before going live on 1 November 2013 (called the blackout period), the Umoja deployment guide prescribed the use of blackout forms to undertake extremely justifiable urgent transactions.

17.   A review of the migration process indicated that UNAMID did not meet the deadline for the blackout period and continued to use blackout forms to process payments until February 2014; a total of 210 blackout forms were processed during this period. This was because some business partner details were not validated and could not be migrated from the legacy systems into Umoja as planned. The delay was also due to the lack of adequate staffing resources needed to validate a large number of records within a short period of time. Incomplete migration and validation of business partner details resulted in lost prompt payment discounts of about $105,000 and duplication of work due to the continued use of blackout forms.

> **(2) UNAMID, in coordination with the Umoja core team, should take steps to ensure the accuracy of business partner information to avoid delays in migrating data in subsequent rounds of deployment of Umoja.**
>
> *UNAMID accepted recommendation 2 and stated that lessons learned from earlier implementation of Umoja in other peacekeeping missions were being used in subsequent rounds of implementation.* Recommendation 2 remains open pending receipt of evidence that lessons learned, including ensuring the accuracy of business partner information, in the implementation of Umoja have been developed, to be applied in subsequent rounds of deployment in UNAMID.

All Umoja user trainers underwent trainer's training

18.   The Umoja deployment guide provided for a "train-the-trainer" programme to facilitate the training of users. UNAMID identified 13 Umoja trainers, all of whom had completed all 16 training courses required. OIOS concluded that the "train-the-trainer" programme was satisfactorily implemented in UNAMID.

Collection of data to quantify benefits from implementing Umoja had not been initiated

19.   The Umoja deployment guide required all entities deploying Umoja to collect data that would be used to allow the Organization and Change Management Team at United Nations Headquarters to develop a comprehensive statement of benefits from implementing Umoja, such as number of staff posts made redundant and the differences in time it took to process transactions before and after Umoja implementation. The quantitative benefits were supposed to determine what the savings would be over time.

20.   As at 30 September 2014, 11 months after Umoja went live, UNAMID had not started gathering information that would be used to quantity the benefits resulting from the implementation of Umoja in the Mission. Collection of such data had not been initiated due to initial system challenges and management inattention to such requirement even after the system had stabilized in early 2014. Consequently, there was no data to quantify the benefits arising from Umoja deployment in the first year of deployment to justify the business case for investing in the system.

> **(3) UNAMID should implement an action plan to ensure that data needed to quantify the benefits expected to be realized from implementing Umoja is collected and reported.**
>
> *UNAMID accepted recommendation 3 and stated that the Umoja team at United Nations Headquarters would collect and present to the General Assembly all benefits expected to be realized from implementing Umoja in all United Nations organization.* Recommendation 3 remains open pending receipt of evidence that the summary of benefits realized from the deployment of Umoja in UNAMID has been prepared and submitted to the Umoja core team.

B.   Project management

User access mapping was conducted in accordance with delegated authority

21.   The Umoja deployment guide required entities to conduct user access mapping where users were given access in accordance with delegations of authority. To prepare for the user access mapping process, the deployment guide required entities to: (a) update organizational charts; (b) update list of all active users in the current legacy systems with roles they currently perform; and (c) prepare a list of persons with delegations, and their location on the organizational chart, indicating the applicable delegation and any dollar value, fund centre and other restrictions.

22.   A review of the UNAMID Umoja User Access and Role Mapping documentation and comparison with the list of legacy system users and roles indicated that all users were accordingly mapped and roles appropriately assigned. UNAMID was in the process of updating its organizational chart following the deployment of Umoja, which was expected to be finalized after the civilian staffing review of UNAMID was completed. OIOS concluded that adequate controls were in place relating to user access mapping and user roles and delegated authority.

<u>Preparatory activities were conducted in accordance with the cutover plan</u>

23.   The Umoja deployment guide required entities deploying Umoja to check its preparedness to roll out Umoja a month prior to going live. The cutover plan developed by the United Nations Headquarters Umoja core team was for the period 22 September to 31 October 2013.

24.   Interviews and review of Umoja related documents indicated that UNAMID had conducted relevant preparatory activities. For example, the Mercury database was decommissioned on 16 October 2013 while the Sun System was decommissioned on 18 October 2013 in accordance with the cutover plan. The system was unavailable during the blackout period and UNAMID used blackout forms to make all urgent payments during this period and they were subsequently processed in the system after go-live. As at 30 June 2014, all bank reconciliations had been fully reconciled. OIOS concluded that adequate controls were in place over preparatory activities to ensure they were conducted in accordance with the cutover plan.

<u>Project management and reporting mechanisms were not fully implemented</u>

25.   The Umoja deployment guide required UNAMID to prepare project and risk management plans and project benefit realization scorecards, and put in place monitoring and reporting mechanisms on the implementation of the deployment exercise. The deployment guide required UNAMID to use tools such as meeting minutes/action plan, status reports, scorecards, and readiness workshops and reports to ensure effective project implementation. Further, the plans were to be updated to reflect changes in the scope and timing of the project implementation.

26.   UNAMID prepared a realization plan based on the initial go-live date of 1 October 2013. A review of the plan indicated that it had not been updated to reflect changes in deployment timelines made by the Umoja core team. In addition, UNAMID had not prepared project and risk management plans and status reports such as realization scorecards and operational readiness reports. The plans and status reports were not prepared because the Umoja core team had taken over the project management roles of the local deployment team, whose role was confined mainly to data collection and validation. As a result, UNAMID senior management was not sufficiently kept informed about the activities that needed to be done and related timelines. In addition, the local Umoja team was unable to systematically plan and execute their work in the absence of a work plan, resulting in the team working under tight deadlines.

> **(4) UNAMID, in coordination with the Umoja core team, should clarify the division of project management roles between the local deployment team and the Umoja core team from United Nations Headquarters to ensure that the required realization, risk and project plans and related monitoring and reporting mechanisms are developed for effective management oversight of subsequent deployments of Umoja.**
>
> *UNAMID accepted recommendation 4 and stated that it had adopted the realization, risk and project plans and related monitoring and reporting mechanisms that were developed and managed by the United Nations Headquarters Umoja core team. These plans and mechanisms would be utilized, as needed, for all future rollout of Umoja projects.* Recommendation 4 remains open pending receipt of realization, risk and project plans and verification of reporting and monitoring mechanisms in place for future rollout of Umoja projects in UNAMID.

Change management undertaken was not documented in Change Impact Documents

27.   The Umoja deployment guide required all entities deploying Umoja to assess the impact of process change to investigate the changes that were expected in business processes with the roll-out of Umoja. To support the analysis, Change Impact Documents needed to be prepared to describe the impact of the expected changes. The local Umoja deployment team was required to organize discussions of the Change Impact Documents across relevant functional areas.

28.   The UNAMID Umoja deployment team held discussions with the various sections involved in the implementation of Umoja focusing mainly on future process steps and relevant training needed to ensure successful Umoja roll-out in the Mission. However, these discussions were not documented in the Change Impact Documents for UNAMID. This was due to the lack of monitoring by the Umoja deployment team to ensure compliance with documentation requirements. The lack of documentation on change management activities may preclude the Mission from capitalizing on lessons gained from this round of roll-out of Umoja.

> **(5) UNAMID should strengthen oversight of change management activities to ensure that the impact of process changes resulting from the implementation of Umoja is documented in the Change Impact Document for use in subsequent deployments of Umoja.**
>
> *UNAMID accepted recommendation 5 and stated that Umoja was a United Nations Headquarters-driven project and all impact of process changes resulting from its implementation would be included in each of its process owner's change impact document.* Recommendation 5 remains open pending receipt of evidence that the impact of process changes has been documented in the Change Impact Document for use in subsequent deployments of Umoja in UNAMID.

IV.   ACKNOWLEDGEMENT

29.   OIOS wishes to express its appreciation to the Management and staff of UNAMID 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 Umoja deployment in the African Union-United Nations Hybrid Operation in Darfur

Recom. no.	Recommendation	Critical[1]/ Important[2]	C/ O[3]	Actions needed to close recommendation	Implementation date[4]
1	UNAMID should appoint a training coordinator, trainers and communication officer to the Umoja deployment standing team as required.	Important	C	Action taken.	Implemented
2	UNAMID, in coordination with the Umoja core team, should take steps to ensure the accuracy of business partner information to avoid delays in migrating data in subsequent rounds of deployment of Umoja.	Important	O	Receipt of evidence that lessons learned in the implementation of Umoja have been developed, to be applied in subsequent rounds of deployment in UNAMID.	30 June 2015
3	UNAMID should implement an action plan to ensure that data needed to quantify the benefits expected to be realized from implementing Umoja is collected and reported.	Important	O	Receipt of evidence that the summary of benefits realized from the deployment of Umoja in UNAMID has been prepared and submitted to the Umoja core team.	30 June 2015
4	UNAMID, in coordination with the Umoja core team, should clarify the division of project management roles between the local deployment team and the Umoja core team from United Nations Headquarters to ensure that the required realization, risk and project plans and related monitoring and reporting mechanisms are developed for effective management oversight of subsequent deployments of Umoja.	Important	O	Receipt of realization, risk and project plans and verification of reporting and monitoring mechanisms in place for future rollout of Umoja projects in UNAMID.	30 June 2015
5	UNAMID should strengthen oversight of change management activities to ensure that the impact of process changes resulting from the implementation of Umoja is documented in the Change Impact Document for use in subsequent deployments of Umoja.	Important	O	Receipt of evidence that the impact of process changes has been documented in the Change Impact Document for use in subsequent deployments of Umoja in UNAMID.	30 June 2015

---

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

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

[3] C = closed, O = open

[4] Date provided by UNAMID in response to recommendations.

APPENDIX I

Management Response

African Union – United Nations Hybrid Operation in Darfur

Office of the Joint Special Representative

16 December 2014

To: Ms. Eleanor T. Burns, Director
        Internal Audit Division, OIOS

From: Abiodun Bashua
        Acting Joint Special Representative, a.i.
        UNAMID

Subject: <u>Draft report on an audit of Umoja deployment in the African Union-United Nations Hybrid Operation in Darfur (Assignment No. AP2014/634/11)</u>

1.   With reference to your memorandum of 16 December 2014, on the captioned-subject matter, please find attached UNAMID's response (Appendix I) to the draft report for your consideration.

2.   I further confirm on the factual accuracy of the report.

Thank you.

cc: Mr. Anthony Nweke, Acting Director of Mission Support Division, UNAMID
        Mr. Sambou Traore, Chief Finance Officer / Umoja Site Coordinator, UNAMID
        Ms. Vevine Stamp. Chief, Operations and Services, UNAMID
        Mr. Prances Sooza, Chief, Resident Auditor, OIOS/UNAMID
        Mr. Velayutham Gopal, Audit Focal Point, UNAMID
        Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS

Management Response

Audit of Umoja deployment in the African Union-United Nations Hybrid Operation in Darfur

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNAMID should appoint training coordinator, trainers and communication officer to the Umoja deployment standing team as required.	Important	Yes	Chief Finance Officer	Implemented	This recommendation has been duly implemented. Trainers and communication officers have been appointed. Relevant documents to this effect have all been provided to the office of the Chief Resident Auditor. Therefore, it is requested that this recommendation to be closed.
2	UNAMID, in coordination with the Umoja core team, should take steps to ensure the accuracy of business partner information to avoid delays in migrating data in subsequent rounds of deployment of Umoja.	Important	Yes	Chief Finance Officer	30 June 2015	UNAMID concurs with the recommendation. Lessons learned from the implementation of both Pilot (UNIFIL) and cluster 1(PK missions) were used in the implementation of subsequent clusters.
3	UNAMID should implement an action plan to ensure that data needed to quantify the benefits expected to be realized from implementing Umoja is collected and reported.	Important	Yes	Chief Finance Officer	30 June 2015	UNAMID concurs with the recommendation. The UNHQ Umoja team will collect and presents to the General Assembly, all benefits expected to be realized from implementing Umoja in all UN organization.
4	UNAMID, in coordination with the Umoja core team, should clarify the division of project management roles between the local deployment team and the Umoja core team from United Nations Headquarters to ensure that the realization, risk and project plans and related monitoring and reporting mechanism are	Important	Yes	Chief Finance Officer	30 June 2015	The Mission has adopted the realization, risk and project plan and related monitoring and reporting mechanism that were developed / managed by UNHQ Umoja Team to be implemented at the field level. For all future rollout Umoja projects such

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

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

Management Response

Audit of Umoja deployment in the African Union-United Nations Hybrid Operation in Darfur

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	developed for effective management oversight of subsequent deployments of Umoja.					plans and mechanisms will be carried out at the field level on need basis. Therefore, it is requested that this recommendation to be closed as it has been overtaken by events.
5	UNAMID should strengthen oversight of change management activities to ensure that the impact of process changes resulting from the implementation of Umoja is documented in the Change Impact Document for reference in subsequent deployments of Umoja.	Important	Yes	Chief Finance Officer	30 June 2015	UNAMID concurs with the recommendation. However, since Umoja project is a UNHQ driven project, all impact of process changes resulting from its implementation, will be included in each of its Process Owners Change Impact document (USG DM, USG DFS, ASG OHRM, Controller, etc...).