



## INTERNAL AUDIT DIVISION

# REPORT 2014/162

---

Audit of the implementation of the Umoja system in the United Nations Support Office for the African Union Mission in Somalia

Overall results relating to the effective implementation of the Umoja system were initially assessed as partially satisfactory. Implementation of six important recommendations remains in progress.

**FINAL OVERALL RATING: PARTIALLY SATISFACTORY**

31 December 2014  
Assignment No. AT2014/638/01

# CONTENTS

	<i>Page</i>
I. BACKGROUND	1-2
II. OBJECTIVE AND SCOPE	2
III. AUDIT RESULTS	3-9
A. Risk assessment	3-4
B. Performance monitoring	4
C. ICT support systems	5-9
IV. ACKNOWLEDGEMENT	9
ANNEX I      Status of audit recommendations	
APPENDIX I   Management response	

# AUDIT REPORT

## Audit of the implementation of the Umoja system in the United Nations Support Office for the African Union Mission in Somalia

### I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the implementation of Umoja in the United Nations Support Office for the African Union Mission in Somalia (UNSOA).
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 rules.
3. UNSOA provides logistical support to the African Union Mission in Somalia (AMISOM); the United Nations Assistance Mission in Somalia (UNSNOM); the Office of the Special Envoy of the Secretary General for the Great Lakes Region (O/SESG-GLR) in Nairobi; and the Somalia-Eritrea Monitoring Group (SEMG). UNSOA also provides Umoja support and performs transactions for UNSOM, O/SESG-GLR and SEMG.
4. The 2013/2014 budget of UNSOA was \$434 million, with 241 international and 160 national staff in support of an authorized strength of 22,126 AMISOM troops, 260 individual police officers, 280 formed police personnel, 70 AMISOM civilian staff and 10,900 Somalia National Army troops.
5. Umoja is an application of the SAP enterprise resource planning (ERP) software that supports management activities related to finance, budget, human resources, supply chain, central support services, and other core business functions. This integrated transactional system is replacing and integrating numerous existing legacy information systems in use across the Secretariat.
6. The Department of Management (DM) has been leading the implementation of the Umoja project through the Umoja Office. The deployment of Umoja has been divided into phases (Foundation, Extension I, and Extension II), modules, and clusters. The implementation of the Umoja Foundation processes started in the peacekeeping missions – including UNSOA - on 1 November 2013 and it is currently in progress across the Secretariat. Table 1 below depicts the business processes included in the Umoja Foundation processes.

**Table 1: Umoja Foundation Processes**

Central support services	Services to the Public and Staff Facility management
Finance and budget	Financial management Cost and management accounting Financial accounting Cash management and treasury
Supply chain/procurement/logistics	Source to acquire Receipt and inspection Equipment management

Central support services	Services to the Public and Staff Facility management
Programme and project management	Project initiation, planning, execution and performance monitoring

7. Comments provided by UNSOA and DM are incorporated in italics.

## II. OBJECTIVE AND SCOPE

8. The audit was conducted to assess the adequacy and effectiveness of governance, risk management and control processes put in place by UNSOA and DM in providing reasonable assurance regarding the **effective implementation of the Umoja system in UNSOA**.

9. This audit was included in the OIOS work plan for 2014 because of the high risks associated with the implementation of Umoja in UNSOA and the potential impact of any delays or weaknesses in its deployment in the mission.

10. The key controls tested for the audit were: (i) risk assessment; and (ii) performance monitoring; and (iii) ICT support systems. 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 the implementation of Umoja in UNSOA are identified and assessed, and that appropriate action is taken to mitigate them;

(b) **Performance monitoring** – controls that provide reasonable assurance that metrics are established and used to monitor the implementation of the Umoja system in UNSOA; and

(c) **ICT support systems** – controls that provide reasonable assurance that the Umoja system is configured and functions in accordance with the needs of the Organization.

11. OIOS conducted the audit from 5 May to 13 June 2014. The audit covered the period from 1 November 2013 to 30 April 2014.

12. The key controls were assessed for the control objectives shown in Table 2. Certain control objectives shown in Table 2 as “Not assessed” were not relevant to the scope defined for this audit.

13. 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. The scope of the audit covered the risk, project management and ICT support processes established in UNSOA for the implementation of Umoja and included tests of the control processes established to: (i) assigns and manage user roles; (ii) collect, cleanse and convert data related to facilities, finance, procurement, logistics, and programmes; and (iii) perform administrative transactions included in the scope of the Foundation processes.

### III. AUDIT RESULTS

14. The UNSOA governance, risk management and control processes examined were initially assessed as **partially satisfactory**<sup>1</sup> in providing reasonable assurance regarding the **effective implementation of the Umoja system in UNSOA**. OIOS made eight recommendations to address issues identified in the audit. UNSOA and the Umoja Office had adopted some good practices for the implementation of the Umoja system, including direct involvement of UNSOA senior management in the project, good problem management procedures, performance of several practice runs for data cleansing and conversion with appropriate signoffs, and good documentation of lessons learned. However, some control weaknesses were identified in the overall system configuration, data conversion, system support, and policies and procedures with regard to: (i) technical performance problems when uploading supporting documents to Umoja; (ii) weaknesses in user and role management; (iii) rejected/inaccurate data from interfaced systems; and (iv) weaknesses in finance, human resources and procurement processes.

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

**Table 2: Assessment of key controls**

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective implementation of the Umoja system in UNSOA	(a) Risk assessment	Partially satisfactory	Partially satisfactory	Not Assessed	Partially satisfactory
	(b) Performance monitoring	Partially satisfactory	Partially satisfactory	Not Assessed	Partially satisfactory
	(c) ICT support systems	Partially satisfactory	Partially satisfactory	Not Assessed	Partially satisfactory
<b>FINAL OVERALL RATING: PARTIALLY SATISFACTORY</b>					

#### A. Risk assessment

##### Lack of risk assessment processes

16. Risk assessment is an essential activity for monitoring, evaluating, and managing the risks associated with project implementation. In accordance with the Umoja Deployment Guide, a risk and issue management process should have been established for managing the implementation of Umoja.

17. In UNSOA, there was no documented evidence of a risk assessment process (i.e., including strategy, plan, register and risk log) established for the implementation of Umoja. There was no documentation demonstrating that risks were managed in accordance with the instructions issued in the

<sup>1</sup> 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.

Umoja Deployment Guide. For example, risks were not rated in accordance with their impact levels; their likelihood and probability of occurrence was not assessed; and the issue management process was not implemented.

18. The lack of a complete assessment process could prevent UNSOA senior management from proactively assessing and mitigating the risks associated with the Umoja implementation in the mission.

**(1) UNSOA should document and implement a risk management process including formal procedures for risk assessment, risk monitoring, and mitigation plans.**

*UNSOA accepted recommendation 1 and stated that by the Umoja go-live date of 1 November 2013, the mission was in full compliance with the instructions and guidelines issued by the Umoja Deployment Team. It should be noted that the risk management documentation in the Deployment Guide relates specifically to cluster 3 and 4 entities. Nevertheless, UNSOA is of the view that the recommended risk management processes were sufficiently addressed in accordance with the instructions and guidelines from the Umoja Deployment Team. This contributed to the successful implementation of the Umoja solution in UNSOA without any significant challenges. Based on the documentation provided by UNSOA, recommendation 1 has been closed.*

## **B. Performance monitoring**

### Weaknesses in performance monitoring

19. The implementation of enterprise-wide systems should be monitored and supported in accordance with mutually agreed service level agreements.

20. The deployment of Umoja required significant support from the Umoja Office at Headquarters with extensive efforts in data capture and cleansing. These efforts will continue to be a critical requirement after the initial stages of implementation across all locations and will require consistent performance monitoring to ensure that all offices receive adequate support. However, there was no service level agreement between UNSOA and the Umoja Office at Headquarters defining the expected turnaround times for the resolution of requests logged through iNeed, which created uncertainties and extensive delays in the timely solution of critical requests (i.e., creation of vendors in the system to timely process payments), and inadequate support of end-users.

21. The lack of adequate performance monitoring mechanisms could prevent the Secretariat from correcting and improving support issues critical to the timely and correct processing of transactions.

**(2) The Umoja Office should: (i) establish service level agreements for Umoja support with all missions with expected turnaround times for the resolution of critical requests; and (ii) implement stronger performance monitoring measures to ensure ongoing support from Headquarters.**

*DM accepted recommendation 2 and stated that service level agreements have been presented and agreed with supporting personnel (tier 1 support) in all peacekeeping missions. An operating level agreement was presented and discussed with the Office of Information and Communications Technology (OICT) and will be formalized prior to the rollout of Umoja for cluster 3 and 4. Recommendation 2 remains open pending receipt of evidence of the service level agreements established and the implementation of performance monitoring measures for ongoing production support from Headquarters.*

## C. ICT support systems

### Technical performance problems when uploading supporting documents in Umoja

22. Payments should be supported by documented evidence providing details of the transactions processed. The Umoja system provided a feature to upload documented evidence in support of transactions related to payments to staff and consultants.

23. There were technical performance issues in Umoja, arising from the use of different systems supported by different offices, which prevented users from uploading documented evidence supporting transactions related to finance, human resources, procurement, and receipt and inspection in a timely manner. These performance issues created a significant backlog of payments to staff and external consultants, and negatively impacted transaction processing in all work units using Umoja in UNSOA.

24. The delay of payments may prevent UNSOA from operating in an efficient and effective manner and could have a negative impact on the reputation of the Organization.

**(3) The Umoja Office should address the technical performance issues causing delays in uploading evidential documentation in support of payments.**

*DM accepted recommendation 3 and stated that the functionality is working. However, the remaining issue related to performance is not solely a function of the Umoja managed components of the infrastructure. Guidelines were issued in terms of the type and size of document attachments, and the Umoja Office, the Department of Field Support and OICT are looking into technical solutions to automatically enforce the guidelines. UNSOA stated that it has been uploading the necessary supporting documents relating to all payments. Nevertheless, challenges remain in respect of the speed of the system. OIOS is of the opinion that since UNSOA continues to face challenges with regard to the amount of time taken to upload documents in the system, the Umoja Office needs to address this matter. Recommendation 3 remains open pending receipt of evidence demonstrating that the performance issues relating to the document upload functionality has been fully addressed.*

### Weaknesses in user and role management

25. Roles assigned in Umoja for UNSOA users should be limited to the ability to view and process data for transactions related to UNSOA only.

26. The list of UNSOA user roles indicated that there were 36 users with roles associated with different missions, as follows:

- (i) 8 users had roles in the United Nations Stabilization Mission in Haiti;
- (ii) 5 users had roles in the United Nations Mission in Darfur;
- (iii) 13 users had roles in the United Nations Interim Administration Mission in Kosovo; and
- (iv) 10 users had roles in the United Nations Operation in Côte d'Ivoire.

27. The inadequate assignment of roles exposed the Secretariat to the risk of unauthorized transactions being performed in Umoja.

**(4) UNSOA, in collaboration with the Umoja Office, should review the roles and access authorizations assigned to its staff members and ensure that any exception is rectified in a timely manner.**

*UNSOA accepted recommendation 4 and stated that it has deleted all unnecessary roles and access from the UNSOA business area. However, in some cases, UNSOA did not have the required level of authorization to remove certain accounts which were reported to the appropriate office for action. Based on the action taken by UNSOA, recommendation 4 has been closed.*

#### Rejected/inaccurate data from interfaced systems

28. The introduction of Umoja was accompanied by several interfaces with and between legacy systems. In particular, two of the main system interfaces established for the Umoja foundation phase were the interface of purchase orders and receipts for property and equipment from Umoja to the Galileo system. All purchase orders and receipts in Umoja should have been transferred in the Galileo system in order for the Receipt and Inspection Unit to accept goods at warehouses.

29. There were instances of purchase orders and receipts with no material identification numbers in Umoja that were being rejected in the Galileo interface. This condition caused problems for the Receipt and Inspection Unit when performing the receiving function at warehouses. This rejection occurred when users did not include a material identification number during the creation of requisitions. Although the Umoja Office trained staff members (i.e., requestors) to include the material identification number when creating requisitions (i.e., shopping cart), there were several instances where the material identification number was omitted.

30. The UNSOA Procurement Unit recognized the problem and created workaround processes to handle the rejections by either: (a) requesting the United Nations Logistics Base to correct the data directly into the Galileo system; or (b) deleting the corresponding purchase orders and receipts in Umoja and requiring the requestors to re-create the requisitions. Given that this control was an *ex post facto* task performed manually, its effectiveness was limited because the Receipt and Inspection Unit was still experiencing missing purchases orders and receipts when trying to perform the receiving process in Galileo. However, manual entries and local workarounds have not been able to systematically address the problems identified between Umoja and Galileo.

31. This condition exposed the Secretariat to the risk of not recording Umoja transactions related to the acquisitions of property and equipment in Galileo and could lead to inaccurate financial reporting and non-compliance with the International Public Sector Accounting Standards (IPSAS).

**(5) The Umoja Office should: (i) resolve the problem that is preventing a correct interface of data between Umoja and Galileo; (ii) implement a monitoring mechanism to identify and correct records in Umoja before they are interfaced with Galileo; and (iii) issue instructions for the monitoring process to all Secretariat entities involved in the deployment of Umoja.**

*DM accepted recommendation 5 and stated that all participants in the “source-to-acquire” process have a role to play in ensuring that the integrity of the data is maintained. The Umoja guidance material stresses the use of product identification number (ID) as being essential to allow replication of data in Galileo. When Galileo is decommissioned, it will not be possible to receive*



*items into the inventory unless the product IDs are entered.* OIOS is of the opinion that since the product ID is a necessary element to generate accurate accounting entries for the preparation of financial statements compliant with IPSAS, and the decommissioning of Galileo is several years away, the problem of data interface needs to be addressed in the interim period. Recommendation 5 remains open pending receipt of evidence demonstrating that the problem of data interface between Umoja and Galileo has been resolved.

Weaknesses in bank reconciliations were identified and addressed

32. Bank reconciliations should be performed on a regular (i.e., monthly) basis to ensure the prompt identification of inaccurate entries and information in the bank accounts.

33. The completion of bank reconciliations in UNSOA had been delayed due to the late receipt of instructions from Headquarters, which were issued in January 2014. At the time of the audit, UNSOA was still processing the bank reconciliations for the months of March and April 2014, and there were a few outstanding open items for November and December 2013.

34. Given that the UNSOA Finance Unit started to address the delays identified in the bank reconciliations during the audit field work, OIOS did not make any recommendation in this area.

Issues were identified and addressed with the description data in journal vouchers

35. Journal vouchers should contain detailed information describing their purpose and corresponding documents. This information should support their authorization and allow tracking and monitoring to prevent potential duplicates.

36. In UNSOA, there were instances of accounts payable transactions processed via journal vouchers in the general ledger module instead of using the accounts payable invoice process. Although the journal voucher functionality included data fields to record identification data of these transactions (i.e., invoice number, data field for description of the transaction, etc.), these data fields had not been populated. In particular, there were 14 journal vouchers in the general ledger module with missing information in the description field, and there were 15 invoice transactions missing the invoice number.

37. Inadequate recording of data related to payment transactions could lead to duplicate payments and prevent the correct identification of the linked source documents.

38. Given that during the audit field work, the UNSOA Finance Unit started to implement controls to ensure the recording of descriptive data in journal vouchers (i.e., used the text field to record invoice numbers that were too long to fit in the invoice number data field; issued instructions to staff; criteria issued for approval of transactions, etc.), OIOS did not make any recommendation in this area.

Issues with unprocessed parked documents were identified and addressed

39. A feature of the Umoja system allowed users to park transactions until a valid approver released them for posting. These transactions should have been monitored on an ongoing basis and processed within a reasonable time period. They should have also contained a description in the text field for identification (i.e., the purpose of the transaction, invoice number, payee, etc.) in order to provide an audit trail to the source documents of the transactions.

40. There were several parked documents for general ledger transactions, including for vendor transactions. Some of these transactions remained unprocessed for several months pending their approval,

and some of them had no descriptive information in the text field for identification describing the reason or nature of the transaction.

41. The presence of long standing parked documents and the lack of additional explanations about their nature could expose the Organization to the risk of transactions not being processed in the system in a timely manner and/or left unaccounted, leading to inaccurate financial reporting, non-compliance with IPSAS requirements, and delayed payments of obligations.

42. Given that during the audit the UNSOA Finance Unit started to process the pending transactions and instructed approving officers to regularly clear parked documents, OIOS did not make any recommendation in this area.

#### Human resources processes needed to be streamlined

43. Human resources processes related to staff, consultants and other business partners should be closely monitored for ensuring the timely and accurate processing of human resources actions.

44. UNSOA had several processes that needed strengthening, including:

- (i) The integration of F10 claims (i.e., claims from staff and consultants for the reimbursements of travel related expenses) from travel that was not yet implemented in Umoja Foundation (part of Extension 1), creating potential risks of duplicate payments;
- (ii) Human resources staff did not have the capability in Umoja to determine whether a staff member who transferred from another mission had already been assigned with his/her “business partner number” in Umoja, which led to payment delays due to the long turnaround time in obtaining a business partner number from Headquarters; and
- (iii) The change of status of independent contractors/consultants to staff members required the human resources office to obtain a new business partner number, which caused extensive payment delays due to the long turnaround time in obtaining a business partner number from Headquarters.

45. The current situation exposed the Secretariat to the risks of delays in payments to staff and consultants, and potential duplication of F10 payments.

**(6) The Umoja Office should identify a process to link F10 claims to Umoja data and minimize the risk of possible duplicate payments.**

*DM accepted recommendation 6 and stated that work on the process to link F10 claims to Umoja data is ongoing and will be completed next year. Recommendation 6 remains open pending receipt of evidence of the solution implemented for linking F10 claims with Umoja data.*

#### Inaccurate purchase orders conversion data

46. The material group code on a purchase order item identified the category of goods being purchased and allowed the system to correctly account for the purchase. This code was required to capture each line item on a purchase order because the account being charged for reporting was derived from this information.

47. The purchase orders uploaded in Umoja from the legacy systems contained several instances of items assigned to incorrect material groups. For example, when a purchase order had several lines for various food items being purchased, the items were correctly categorized as food items. However, when there was a container for the food items on the same purchase order (i.e., a refrigerator), the item was categorized as a food item, along with the other items on the purchase order, instead of properly being categorized as equipment.

48. Incorrect material groups on purchase order items presented a risk of inaccurate reporting of assets or expenses and could lead to inaccurate financial reporting.

**(7) The Umoja Office should review the data conversion and cleanup processes for legacy purchase orders and ensure that adequate controls are implemented for future data conversions.**

*DM accepted recommendation 7 and stated that data conversion and cleanup processes for legacy purchase orders are being reviewed. Recommendation 7 remains open pending evidence of the action taken to review and correct the data converted from legacy purchase orders, and that adequate controls are implemented for future data conversions.*

#### Inadequate controls to ensure the reversal of funds

49. The creation of contracts in Umoja included automated mechanisms for establishing links to the associated funds and budgets. Purchase orders were then issued against the original contracts and associated funds. Accordingly, in the event that a purchase order was cancelled after its creation, the same automated mechanisms should have ensured the reversal of the funds to be made available for future use.

50. Umoja did not have adequate controls in place to ensure that when a purchase order was cancelled, the funds originally committed for a contract were reversed.

51. The inadequate reversal of funds committed against previously issued purchase orders and contracts exposed the Secretariat to the risk of programme managers not being able to know the correct availability of funds and utilize them when required.

**(8) The Umoja Office should address the limitation of the system which prevents the automated reversal of funds when purchase orders are cancelled.**

*DM accepted recommendation 8 and stated that Umoja will run a list to show that the exception has now been resolved. Recommendation 8 remains open pending receipt of evidence of the solution implemented by the Umoja Office to resolve the existing problem with the automated reversal of funds when purchase orders are cancelled.*

## **IV. ACKNOWLEDGEMENT**

52. OIOS wishes to express its appreciation to the Management and staff of UNSOA and DM 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 the implementation of the Umoja system in the United Nations Support Office for the African Union Mission in Somalia

Recom. no.	Recommendation	Critical <sup>2</sup> / Important <sup>3</sup>	C/ O <sup>4</sup>	Actions needed to close recommendation	Implementation date <sup>5</sup>
1	UNSOA should document and implement a risk management process including formal procedures for risk assessment, risk monitoring, and mitigation plans.	Important	C	Action completed.	Implemented
2	The Umoja Office should: (i) establish service level agreements for Umoja support with all missions with expected turnaround times for the resolution of critical requests; and (ii) implement stronger performance monitoring measures to ensure ongoing support from Headquarters.	Important	O	Receipt of evidence of the service level agreements established and the implementation of performance monitoring measures for ongoing production support from Headquarters.	31 March 2015
3	The Umoja Office should address the technical performance issues causing delays in uploading evidential documentation in support of payments.	Important	O	Receipt of evidence demonstrating that the limited performance of the document upload functionality has been fully addressed.	30 September 2015
4	UNSOA, in collaboration with the Umoja Office, should review the roles and access authorizations assigned to its staff members and ensure that any exception is rectified in a timely manner.	Important	C	Action completed.	Implemented
5	The Umoja Office should: (i) resolve the problem that is preventing a correct interface of data between Umoja and Galileo; (ii) implement a monitoring mechanism to identify and correct records in Umoja before they are interfaced with Galileo; and (iii) issue instructions for the monitoring process to all Secretariat entities involved in the deployment of Umoja.	Important	O	Receipt of evidence that the problem of data interface has been resolved.	30 June 2015
6	The Umoja Office should identify a process to link	Important	O	Receipt of evidence of the solution implemented	31 March 2016

<sup>2</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>3</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>4</sup> C = closed, O = open

<sup>5</sup> Date provided by UNSOA and DM in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of the implementation of the Umoja system in the United Nations Support Office for the African Union Mission in Somalia

Recom. no.	Recommendation	Critical <sup>2</sup> / Important <sup>3</sup>	C/ O <sup>4</sup>	Actions needed to close recommendation	Implementation date <sup>5</sup>
	F10 claims to Umoja data and minimize the risk of possible duplicate payments.			with the deployment of Extension I for linking F10 claims with Umoja data.	
7	The Umoja Office should review the data conversion and cleanup processes for legacy purchase orders and ensure that adequate controls are implemented for future data conversions.	Important	O	Receipt of evidence of an action plan to review the data conversion and cleanup processes for legacy purchase orders and that adequate controls are implemented for future data conversions.	30 June 2015
8	The Umoja Office should address the limitation of the system which prevents the automated reversal of funds when purchase orders are cancelled.	Important	O	Receipt of evidence of the solution implemented by the Umoja Office to resolve the existing problem with the automated reversal of funds when purchase orders are cancelled.	30 June 2015

# **APPENDIX I**

## **Management Response**



TO: Mr. Gurpur Kumar, Deputy Director  
A: Internal Audit Division, Office of Internal Oversight Services

DATE: 24 December 2014

THROUGH: Christian Saunders, Director  
S/C DE: Office of the Under-Secretary-General for Management

FROM: Mario Baez, Chief  
DE: Policy and Oversight Coordination Service  
Office of the Under-Secretary-General for Management

SUBJECT: **Draft report on an audit of the implementation of the Umoja system in the United Nations Support Office for the African Union Mission in Somalia (Assignment No. AT2014/638/01)**

1. We are pleased to provide the comments of the Department of Management in response to your memorandum dated 4 November 2014 on the above subject.
2. Thank you for giving us the opportunity to provide comments to the draft report.

**AUDIT RECOMMENDATIONS**  
**Audit of the implementation of Umoja in UNSOA**

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementati on date	Client comments
1	UNSOA should document and implement a risk management process including formal procedures for risk assessment, risk monitoring, and mitigation plans.	Important				
2	The Umoja Office should: (i) establish service level agreements for Umoja support with all missions with expected turnaround times for the resolution of critical requests; and (ii) implement stronger performance monitoring measures to ensure ongoing support from Headquarters.	Important	Yes	Team Leader, Change Management, Umoja	31 March 2015	Service levels have been presented and agreed with tier 1 personnel in all peacekeeping missions. An Operating Level Agreement was presented and discussed with OICT, and will be formalized prior to the roll out of Umoja for Cluster 3 and 4.
3	The Umoja Office should address the technical performance issues causing delays in uploading evidential documentation in support of payments.	Important	Yes	Team Leader, Technical Solutions Umoja	30 September 2015	The functionality is working; however the remaining issue that OIOS refers to is performance, which is not solely a function of the Umoja managed components of the infrastructure. DFS/ICTD owns the network and Sharepoint site. OICT owns the Citrix farm.

<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.





Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementati on date	Client comments
						<p>Document attachments must travel over the network, and be loaded into Sharepoint, and performance can be impacted by any one of these components. For instance, performance over VSAT will always be slower than locations which connect by other means (leased lines, fiber etc.).</p> <p>Also, guidelines were issued in terms of the type and size of document attachments, and Umoja, DFS and OICT are looking into technical solutions to automatically enforce the guidelines.</p>
4	UNSOA, in collaboration with the Umoja Office, should review the roles and access authorizations assigned to its staff members and ensure that any exception is rectified in a timely manner.	Important				
5	The Umoja Office should: (i) resolve the problem that is preventing a correct interface of data between Umoja and Galileo; (ii) implement a monitoring mechanism to identify and correct records in Umoja before they are interfaced with Galileo; and (iii) issue instructions for the monitoring process to all Secretariat entities involved in the deployment of Umoja.	Important	Yes	Team Leader, Delivery Management, Umoja	30 June 2015	Accepted in terms of a training and mission monitoring. All participants in the Source to Acquire process have a role to play in ensuring that the integrity of the data is maintained (this includes Requisitioners, Certifying Officers, Buyers, Approvers and Receivers). i.e. to ensure that (a) product IDs are used and (b) that they reflect the nature of the item being procured. This should be performed prior to the entry of receipts into the system at the respective

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>points within the process. Umoja guidance material stresses the use of product IDs as being essential to allow replication of data to Galileo. We could provide follow-up guidance to detail the reports to be used to monitor whether transactions have product IDs missing (implementation date of 31 March 2015). However, cases in which it is identified that the product ID is incorrect can only be determined by the entity performing the operation based on the nature of what is requested.</p> <p>It should be noted that when Galileo is decommissioned, it will not be possible to receive items into inventory unless Product IDs are entered - hence validations of procuring items as inventory and not having material master records indicated will be enforced through standard SAP protocols.</p>
6	The Umoja Office should identify a process to link F10 claims to Umoja data and minimize the risks of possible duplicate payments.	Important	Yes	Team Leader Delivery Management, Umoja	31 March 2016	Work on the process to link F10 claims to Umoja data is ongoing and will be completed next year.
7	The Umoja Office should review the data conversion and cleanup processes for legacy purchase orders and ensure that adequate controls are implemented for future data conversions.	Important		Team Leader Delivery Management, Umoja	30 June 2015	Data conversion and cleanup processes for legacy purchase orders are being reviewed.




<b>Rec. no.</b>	<b>Recommendation</b>	<b>Critical<sup>1</sup>/ Important<sup>2</sup></b>	<b>Accepted? (Yes/No)</b>	<b>Title of responsible individual</b>	<b>Implementati on date</b>	<b>Client comments</b>
8	The Umoja Office should address the limitation of the system which prevents the automated reversal of funds when purchase orders are cancelled.	Important	Yes	Team Leader Delivery Management, Umoja	30 June 2015	Umoja will run a list to show that the exception has now been resolved.



**United Nations Support Office for AMISOM (UNSOA)**

**Interoffice Memorandum**

**To:** Mr. Gurpur Kumar, Deputy Director  
Peacekeeping Audit Service  
Internal Audit Division,  
OIOS **Date:** 28 November 2014

**From:** Wolfgang Weiszegger  
Acting Director  **Ref:** UNSOA/1114/M.025

**Subject:** **Assignment No. AT2014/638/01 – Draft report Audit of the implementation of the Umoja system in the United Nations Support Office for the African Union Mission in Somalia**

1. Further to your memorandum of 4 November 2014 (Ref: IAD: 14-00710) on the above subject, please find attached the UNSOA response.
2. Regards

cc: Mr. Yukio Takasu, Under-Secretary-General, Department of Management  
Mr. Ernesto Baca, Assistant Secretary-General, Umoja Office  
Mr. Chandramouli Ramanathan, Deputy Controller, OPPBA/DM  
Mr. Dionne Maxwell, Audit Focal Point, Umoja Office, DM  
Mr. Harjit Dhindsa, Deputy Director, UNSOA  
Mr. Robert Kirkwood, Head of Somalia Support, UNSOA  
Mr. Jason Mayordomo, Chief of Communications Information Technology Section, UNSOA  
Mr. Zachary Ikiara, Chief, Oversight and Coordination Support Unit, DM  
Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS  
Mr. Dolapo Kuteyi, Senior Administrative Officer/Audit Focal Point, UNSOA



APPENDIX I

Management Response

Audit of the implementation of the Umoja system in the United Nations Support Office for the African Union Mission in Somalia

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementati on date	Client comments
1	UNSOA should document and implement a risk management process including formal procedures for risk assessment, risk monitoring, and mitigation plans.	Important	Yes	Umoja Site Coordinator	Implemented	By the Umoja go-live date of 1 November 2013, UNSOA was in full compliance with the instructions and guidelines issued by the Umoja Deployment Team. It should be noted that the risk management documentation in the Deployment Guide referred to in the text of the observation relates specifically to Cluster 3 and 4 entities. Nevertheless, UNSOA is of the view that the recommended risk management processes were sufficiently addressed in accordance with the instructions and guidelines from UDT. This contributed to the successful implementation of the Umoja solution in UNSOA without any significant challenges. The checklist, score card, and various correspondences are again attached herewith. UNSOA therefore requests closure of this recommendation as

<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.



## Management Response

## Audit of the implementation of the Umoja system in the United Nations Support Office for the African Union Mission in Somalia

						implemented.
2	The Umoja Office should: (i) establish service level agreements for Umoja support with all missions with expected turnaround times for the resolution of critical requests; and (ii) implement stronger performance monitoring measures to ensure ongoing support from Headquarters.	Important				Umoja office to respond
3	The Umoja Office should address the technical performance issues causing delays in uploading evidential documentation in support of payments.	Important	Yes	Umoja Site Coordinator	Implemented	UNSOA has been uploading the necessary supporting documents relating to all payments. The attached screenshots are some samples of a list of documents attached against each payment. Nevertheless, challenges remain in respect of the speed of the system. UNSOA requests closure of the part of this recommendation assigned to UNSOA.
4	UNSOA, in collaboration with the Umoja Office, should review the roles and access authorizations assigned to its staff members and ensure that	Important	Yes	Umoja Site Coordinator	Implemented	UNSOA has deleted all unnecessary roles and access from the UNSOA business area. However, in some cases UNSOA does not have the required level of authorization for

## Management Response

## Audit of the implementation of the Umoja system in the United Nations Support Office for the African Union Mission in Somalia

	any exception is rectified in a timely manner.					removal, and these are reported to the appropriate authorities for action. UNSOA continues to monitor access in the UNSOA business area based on staff movements, and identified cases for removal are addressed according to the established SOP. Supporting documents showing action initiated by UNSOA is attached. UNSOA requests closure of the recommendation.
5	The Umoja Office should: (i) resolve the problem that is preventing a correct interface of data between Umoja and Galileo; (ii) implement a monitoring mechanism to identify and correct records in Umoja before they are interfaced with Galileo; and (iii) issue instructions for the monitoring process to all Secretariat entities involved in the deployment of Umoja.	Important				Umoja Office to respond
6	The Umoja Office should identify a process to link F10 claims to Umoja data and minimize the risks of possible	Important				Umoja Office to respond

## Management Response

## Audit of the implementation of the Umoja system in the United Nations Support Office for the African Union Mission in Somalia

	duplicate payments.					
7	The Umoja Office should review the data conversion and cleanup processes for legacy purchase orders and ensure that adequate controls are implemented for future data conversions.	Important				Umoja Office to respond
8	The Umoja Office should address the limitation of the system which prevents the automated reversal of funds when purchase orders are cancelled.	Important				Umoja Office to respond