



INTERNAL AUDIT DIVISION

REPORT 2015/180

Audit of the use of international consultants and international individual contractors in the United Nations Mission in the Republic of South Sudan

Overall results relating to the effective management of the use of international consultants and international individual contractors in the United Nations Mission in the Republic of South Sudan were initially assessed as partially satisfactory. Implementation of five important recommendations remains in progress

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

17 December 2015
Assignment No. AP2015/633/10

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AUDIT REPORT

Audit of the use of international consultants and international individual contractors in the United Nations Mission in the Republic of South Sudan

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the use of international consultants and international individual contractors in the United Nations Mission in the Republic of South Sudan (UNMISS).
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 Administrative Instruction on consultants and individual contractors (ST/AI/2013/4) provides the policies for obtaining the services of consultants and individual contractors. The authority and responsibility to recruit international consultants and individual contractors are delegated by the Under-Secretary-General of the Department of Field Support (DFS) to the Head of Mission to select international consultants and individual contractors, determine their eligibility, establish fees, raise contracts and effect their payment.
4. The UNMISS Human Resources Section is responsible for ensuring that services to be rendered meet the conditions stipulated for consultants and individual contractors and decisions on their selection are taken in accordance with the provisions in the delegated authority. The Section is headed by a Chief Human Resources Officer at the P-5 level and has 32 approved posts: 4 international professional officers, 12 field service, 4 national professional officers and 12 national general service staff. The 2014/15 budgeted staff cost for the Section was \$3.6 million.
5. In 2013/14 and 2014/15, UNMISS recruited 57 international consultants and individual contractors (8 international consultants and 21 individual contractors in 2013/14 and 11 international consultants and 17 individual contractors in 2014/15) to train staff, conduct reviews, studies and assessments of some programmatic aspects of the Mission; and provide assistance in the operations of Sections such as Movement Control, Transport, Logistics Base, Engineering and Supply. The 2013/14 and 2014/15 budgets for international consultants were \$1.1 million and \$0.8 million, respectively. UNMISS did not have a budget for international individual contractors for 2013/14 and 2014/15, but spent \$196,133 and \$878,255 in these fiscal years, respectively.
6. Comments provided by UNMISS are incorporated in italics.

II. OBJECTIVE AND SCOPE

7. The audit was conducted to assess the adequacy and effectiveness of UNMISS governance, risk management and control processes in providing reasonable assurance regarding the **effective management of the use of international consultants and international individual contractors in UNMISS**.

8. The audit was included in the 2015 risk-based work plan of OIOS because of the financial and operational risks related to using a high number of international consultants and individual contractors in the Mission.

9. 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 use of international consultants and individual contractors in UNMISS; (b) are complied with and implemented consistently; and (c) ensure the reliability and integrity of financial and operational information.

10. The key control was assessed for the control objectives shown in Table 1. One control objective shown in Table 1 as “not assessed” was not relevant to the scope defined for this audit.

11. OIOS conducted the audit from October to November 2015. The audit covered the period from 1 July 2013 to 31 October 2015.

12. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key control 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

13. The UNMISS governance, risk management and control processes examined were initially assessed as **partially satisfactory**¹ in providing reasonable assurance regarding the **effective management of the use of international consultants and international individual contractors in UNMISS**. OIOS made five recommendations to address the issues identified. UNMISS needed to: (a) provide guidance to requisitioners and implement adequate and effective procedures for sourcing, rostering and use of international consultancies and international individual contractual services; (b) provide guidance to end users of international consultancy and international individual contractual services on budgeting for the use of these services; (c) enforce the requirements for verification of academic and professional qualifications of candidates and reference checks; (d) ensure that only staff with the relevant delegation of authority and responsibility sign contracts for international consultants and international individual contractors and the required biannual reports on the execution of the delegation of authority are submitted to DFS; and (e) ensure all required documents on the use of international consultants and international individual contractors were included in the relevant files.

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

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.

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 the use of international consultants and international individual contractors in UNMISS	Regulatory framework	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

Regulatory framework

Adequate procedures on sourcing of consultants and individual contractual services were needed

15. The Administrative Instruction on the use of consultants and individual contractors (Administrative Instruction) requires requisitioners to: prepare and submit to the Human Resources Section terms of reference describing the work to be performed, measurable outputs, objectives, specific delivery dates, description of how the work should be performed and performance indicators; and sign and date the terms of reference. The Administrative Instruction also requires the Mission to: post vacancy announcements in Inspira or other appropriate means when the services are needed for more than six months; develop rosters of international consultants and individual contractors; and to ensure adequate evidence is maintained of the hiring and selection process, including a shortlist of a minimum of three candidates and technical evaluation reports of applicants based on pre-established evaluation criteria.

16. A review of 35 of the 57 files related to the hiring of international consultants and international individual contractors used by UNMISS during the audit period indicated that the Mission did not have a roster for international consultants and international individual contractors and:

- For 26 cases, the Mission did not prepare terms of reference for consultants and individual contractors hired;
- For 9 cases, the terms of reference prepared did not include the delivery dates, description of the work to be performed, objectives and targets of the assignments, and timelines;
- For 11 cases, UNMISS did not post vacancy announcements although the services were required for more than six months. This was because most requisitioners underestimated the time required to complete the assignment; and
- For all 35 cases, UNMISS did not maintain adequate evidence of the recruitment and selection process such as a shortlist of a minimum of three candidates for each vacancy announcement and a technical evaluation report of applicants based on pre-established evaluation criteria.

17. The above resulted because the UNMISS Human Resources Section had not provided guidance to requisitioners on the preparation of terms of reference and had not implemented procedures to better guide requisitioners in sourcing and managing international consultants and international individual

contractors. As a result, UNMISS did not have an adequate basis for monitoring the achievement of objectives and targets. There was also an increased risk that the Mission did not fully realize the benefits of the relevant services provided.

(1) UNMISS should provide guidance to requisitioners and implement adequate and effective procedures related to the sourcing, rostering and use of international consultancy and international individual contractual services.

UNMISS accepted recommendation 1 and stated that it would: issue guidelines to hiring managers on the preparation of terms of reference for the recruitment of international consultants and international individual contractors including a checklist for hiring managers to follow and ensure that these guidelines were adhered to; and develop a roster of international consultants and international individual contractors. Recommendation 1 remains open pending receipt of evidence that UNMISS has provided guidance to requisitioners and implemented procedures related to the sourcing of international consultants and individual contractors.

Need for improved budgeting for the use of consultants and individual contractors

18. The results-based budgeting process requires UNMISS programme managers to estimate all programme delivery costs including those related to consultants and individual contractors and budget for these costs.

19. A review of budget performance reports and interviews of responsible staff indicated that UNMISS did not adequately plan its requirements for international consultants and international individual contractors. This was because the Human Resources Section transferred to end users the planning, sourcing and use of consultants and individual contractors without providing them with relevant guidance. As a result, there were budget overruns as the Mission: overspent the 2013/14 budget for international consultants by \$436,000 (or 38.4 per cent); and did not have a budget for international individual contractors but spent \$196,133 and \$878,255 in 2013/14 and 2014/15, respectively.

(2) UNMISS should provide guidance to end users of international consultants and international individual contractual services on budgeting for the use of these services.

UNMISS accepted recommendation 2 and stated that it would: provide guidance to hiring managers on the requirement to forecast the need for international consultants and international individual contractors; and advise hiring managers on the related budgetary requirements ensuring they were reflected in budget submissions. Recommendation 2 remains open pending receipt of evidence that UNMISS has provided guidance to hiring managers on the requirement to forecast the need and budget submissions for the use of international consultancy and international individual contractual services.

Need to verify credentials, qualifications and experience of consultants and individual contractors

20. The Administrative Instruction requires the Human Resources Section to verify the academic and professional qualifications of selected candidates and conduct appropriate reference checks before recruiting candidates.

21. A review of 35 contract files for international consultants and international individual contractors indicated that the Human Resources Section was not verifying the academic and professional qualifications of selected candidates and conducting appropriate reference checks. This was because the Human Resources Section overlooked this requirement and as a result had not implemented procedures to

ensure that important reference and background checks were being conducted. Consequently, there was a risk that the Mission recruited individuals without the required qualifications and experience.

(3) UNMISS should implement effective procedures to enforce the requirement to verify academic and professional qualifications of candidates and to conduct reference checks for international consultants and international individual contractors.

UNMISS accepted recommendation 3 and stated that the Human Resources Section would take the lead and work closely with hiring managers to enforce the requirement for verification of academic and professional qualifications of candidates prior to hiring. Recommendation 3 remains open pending receipt of evidence that UNMISS has implemented procedures to ensure that reference checks are conducted and academic and professional qualifications are verified for international consultants and international individual contractors.

Need to comply with the delegation of authority for the recruitment of consultants and individual contractors

22. The delegation of authority and responsibility to recruit international consultants and individual contractors issued by DFS on 15 November 2011 requires the Head of Mission to sub-delegate the authority and to submit reports on the execution of the delegation of authority biannually on 30 June and 31 December to DFS for monitoring purposes.

23. A review of 35 contract files indicated that the UNMISS Head of Mission sub-delegated to the Director of Mission Support and the Chief Human Resources Officer the authority and responsibility to recruit international consultants and individual contractors on a personal basis; therefore, the Chief Human Resources Officer was not permitted to sub-delegate the same authority. However, UNMISS Human Resource Officers and Assistants signed 22 of the 83 contracts reviewed without the required delegation of authority. UNMISS also did not submit the required biannual reports to DFS on the execution of the delegation of authority.

24. The above resulted because the UNMISS Human Resources Section: (a) lacked sufficient familiarity with the applicable provision of the issued delegation of authority; and (b) overlooked the requirement to submit the required biannual reports to DFS. As a result, there was an increased risk that individuals were not fully aware of their responsibilities and were approving contracts without the appropriate authority.

(4) UNMISS should take appropriate measures to ensure that only staff with the relevant delegation of authority and responsibility sign contracts for international consultants and international individual contractors and the required biannual reports on the execution of the delegation of authority are submitted to DFS.

UNMISS accepted recommendation 4 and stated that the Human Resources Section would ensure that hard copies of contracts of international consultants or international individual contractors were reviewed and signed by the Chief Human Resources Officer or by the Director of Mission Support. UNMISS also clarified that Umoja generated contracts with the name of the processing officer as the approver and it would address this issue with the Umoja technical team to ensure compliance with the delegation of authority in any role mapping. Recommendation 4 remains open pending receipt of evidence that UNMISS has taken appropriate measures to ensure compliance with the delegation of authority and responsibility to recruit international consultants and international individual contractors.

Need to maintain complete files on the use of international consultants and international individual contractors

25. The Administrative Instruction requires UNMISS to maintain the following documents in the file for each consultant and individual contractor: (a) a copy of signed contract and terms of reference; (b) a copy of the general conditions of contracts for the services of consultants and individual contractors; (c) a copy of the Secretary-General's bulletin on special measures for protection from sexual exploitation and sexual abuse; (d) a statement of good health; (e) an authorization for direct deposit; (f) designation, change or revocation of beneficiary form; and (g) records to show how fees paid to international consultants and individual contractors were computed and determined.

26. A review of 35 contract files indicated that, in general, the files were not properly maintained as the following required documents were missing:

- Copies of the Secretary-General's bulletin on special measures for protection from sexual exploitation and sexual abuse were missing in 12 files reviewed;
- Statements of good health were missing in two files;
- Confirmation letter for insurance coverage was missing in five files; and
- Records to show how UNMISS computed and arrived at fees paid to international consultants and individual contractors. Audit results indicated, however, that UNMISS was using the rates provided in the Administrative Instruction.

27. The above resulted as the Human Resource Section did not maintain a checklist of documents required by the Administrative Instruction. As a result, there was an increased risk that individuals hired, for example: did not have all the required information on the Organization's policy on protection from sexual exploitation; were not in good health; and did not have the required insurance coverage.

(5) UNMISS should develop a checklist that captures all required documents in the Administrative Instruction and implement procedures to ensure the completeness of all international consultants and international individual contractors' files.

UNMISS accepted recommendation 5 and stated that the Human Resources Section would develop a checklist that captured all required documents for the recruitment of international consultants and international individual contractors and would ensure that all required documents were uploaded in Umoja. Recommendation 5 remains open pending receipt of the checklist that captures all required documents in the Administrative Instruction and evidence of implementation of adequate procedures to ensure completeness of recruitment files.

IV. ACKNOWLEDGEMENT

28. OIOS wishes to express its appreciation to the management and staff of UNMISS 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 use of international consultants and international individual contractors in the
United Nations Mission in the Republic of South Sudan**

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNMISS should provide guidance to requisitioners and implement adequate and effective procedures related to the sourcing, rostering and use of international consultancy and international individual contractual services.	Important	O	Receipt of evidence that UNMISS has provided guidance to requisitioners and implemented procedures related to the sourcing of international consultants and individual contractors.	31 July 2016
2	UNMISS should provide guidance to end users of international consultants and international individual contractual services on budgeting for the use of these services.	Important	O	Receipt of evidence that UNMISS has provided guidance to hiring managers on the requirement to forecast the need and budget submissions for the use of international consultancy and international individual contractual services.	30 June 2016
3	UNMISS should implement effective procedures to enforce the requirement to verify academic and professional qualifications of candidates and to conduct reference checks for international consultants and international individual contractors.	Important	O	Receipt of evidence that UNMISS has implemented procedures to ensure that reference checks are conducted and academic and professional qualifications are verified for international consultants and international individual contractors.	30 June 2016
4	UNMISS should take appropriate measures to ensure that only staff with the relevant delegation of authority and responsibility sign contracts for international consultants and international individual contractors and the required biannual reports on the execution of the delegation of authority are submitted to DFS.	Important	O	Receipt of evidence that UNMISS has taken appropriate measures to ensure compliance with the delegation of authority and responsibility to recruit international consultants and international individual contractors.	30 June 2016
5	UNMISS should develop a checklist that captures all required documents in the Administrative Instruction and implement procedures to ensure the completeness of all international consultants and international individual contractors' files.	Important	O	Receipt of the checklist that captures all required documents in the Administrative Instruction and evidence of implementation of adequate procedures to ensure completeness of recruitment files.	31 March 2016

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

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

³ C = closed, O = open

⁴ Date provided by UNMISS in response to recommendations.

APPENDIX I

Management Response

UNITED NATIONS



الأمم المتحدة

UNITED NATION MISSION IN THE REPUBLIC OF SOUTH SUDAN
UNMISS

INTEROFFICE MEMORANDUM

DATE: 15 December 2015

TO: Eleanor T. Burns, Director
Internal Audit Division, OIOS.

FROM: Stephani L. Scheer,
Director Mission Support Division

SUBJECT: **Draft Report on an Audit of the use of international consultants and international individual contractors in the United Nations Mission in the Republic of South Sudan (Assignment No. AP2015/633/10)**

1. Reference is made to your memorandum dated 08 December 2015 on an audit of the use of international consultants and international individual contractors in UNMISS.
2. On behalf of UNMISS Special Representative of the Secretary-General, Ms. Ellen Margrethe Løj, please find attached UNMISS comments on the recommendations listed in Appendix 1 of the draft report.
3. UNMISS would like to take this opportunity to express its appreciation for the work of the auditors and for the valuable recommendations made by the auditors as a result of this audit.

Thank you and best regards

Cc: Mr. Bolton Tarleh Nyema, Chief, Peacekeeping Audit Service, Internal Audit Division, OIOS
Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS
Ms. Ellen Margrethe Løj, Special Representative of the Secretary General, UNMISS
Mr. Paul Egunsola, Chief of Staff, UNMISS
Mr. Timothy A. Crowley, Deputy Director Mission Support Division, UNMISS
Ms. Hilda Otieno, Chief Human Resources Officer, UNMISS.
Ms. Corinne Clavé, Audit Focal Point, UNMISS.

Management Response

Audit of the use of international consultants and international individual contractors in the United Nations Mission in the Republic of South Sudan

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNMISS should provide guidance to requisitioners and implement adequate and effective procedures related to the sourcing of international consultancy and international individual contractual services.	Important	Yes	CHRO	31 July 2016	In order to implement the recommendation, UNMISS Human Resources Section (HR) will take the following measures: <ul style="list-style-type: none"> - Issue guidelines to hiring managers on the preparation of terms of reference for the recruitment of international consultants and international individual contractors (IICs); - Issue a checklist for hiring managers to follow and ensure that these guidelines are adhered to by hiring managers; - Develop a roster of international consultants and IICs.
2	UNMISS should provide guidance to end users of international consultants and international individual contractual services on budgeting for the use these services.	Important	Yes	CHRO	30 June 2016	In order to implement the recommendation, HR will provide guidance to hiring managers on the requirement to forecast the need for consultants and IICs and will also advise hiring managers on the related budgetary

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

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

Management Response

Audit of the use of international consultants and international individual contractors in the United Nations Mission in the Republic of South Sudan

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						requirements ensuring they reflect budget submissions.
3	UNMISS should implement effective procedures to enforce the requirement to verify academic and professional qualifications of candidates and to conduct reference checks.	Important	Yes	CHRO	30 June 2016	HR taking the lead will work with hiring sections to enforce the requirement for verification of academic and professional qualifications of candidates prior to hiring.
4	UNMISS should take appropriate measures to ensure that only staff with the relevant delegation of authority and responsibility sign contracts for international consultants and international individual contractors and the required biannual reports on the execution of the delegation of authority are submitted to DFS.	Important	Yes	CHRO	30 June 2016	HR will ensure that hard copies of contracts of international consultants or IICs are reviewed and signed by the Chief Human Resources Officer or by the Director of Mission Support. Considering that Umoja generates contracts with the name of the processing officer as the approver, the Mission will also address this issue with the Umoja technical team to ensure compliance with the delegation of authority in any role mapping.
5	UNMISS should develop a checklist that captures all required documents in the administrative instruction and implement procedures to ensure the completeness of all international consultants and international individual contractors' files.	Important	Yes	CHRO	31 March 2016	HR will develop a checklist that captures all required documents for the recruitment of international consultants and IICs and will ensure that all required documents are uploaded in Umoja.