**OIOS**

Office of Internal Oversight Services

# INTERNAL AUDIT DIVISION

# REPORT 2017/114

**Audit of the use of short-term staff, consultants and contractors for the provision of conference services at the United Nations Office at Geneva**

**Issues related to planning, funding and performance management needed to be addressed**

**31 October 2017**
**Assignment No. AE2017/310/01**

# Audit of the use of short-term staff, consultants and contractors for the provision of conference services at the United Nations Office at Geneva

## EXECUTIVE SUMMARY

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the recruitment and management of short-term staff, consultants and contractors for the provision of conference services at the United Nations Office at Geneva (UNOG). The audit covered the period from January 2015 to May 2017 and included a review of risk areas relating to the recruitment and management of short-term staff and contractors including planning and risk assessment, the selection process and contract management.

The Division of Conference Management (DCM) at UNOG had made improvements in operational planning and quality control of work done by short-term staff and contractors. Arrangements for recruitment of short-term staff and individual contractors were also satisfactory, and the procurement of corporate contractors was generally in accordance with the Procurement Manual. However, issues related to planning, funding and performance management needed to be addressed.

OIOS made six recommendations. To address issues identified in the audit, UNOG needed to:

- Analyze the costs of the entire process of hiring and managing short-term staff and contractors;

- Resolve the issue of funding regular staff with non-post resources, and formalize the organigram of the Languages Service consistent with the organizational structure in Umoja;

- Finalize the standard operating procedures on contractual translation, text processing and editing;

- Assess the risks associated with centralization of recruitment services for short-term staff and provide its input to Headquarters for consideration in designing the global service delivery;

- Ensure that short-term staff certify that they have valid medical insurance for the duration of their appointment; and

- Ensure that performance evaluations are done for all short-term staff after each assignment or a set of assignments.

UNOG accepted the recommendations and has initiated action to implement them.

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# Audit of the use of short-term staff, consultants and contractors for the provision of conference services at the United Nations Office at Geneva

## I.    BACKGROUND

1.      The Office of Internal Oversight Services (OIOS) conducted an audit of the use of short-term staff, consultants and contractors for the provision of conference services at the United Nations Office at Geneva (UNOG).

2.      The Department for General Assembly and Conference Management (DGACM) provides meeting and documentation services to Member States in a number of duty stations including New York, Geneva, Vienna and Nairobi.  The Division of Conference Management (DCM) at UNOG operates under the Compendium of Administrative Policies, Practices and Procedures of Conference Services developed by DGACM in the context of Integrated Global Management of conference services.  DCM provides conference services to over 50 entities.  Its 10 largest clients are listed in Table 1.

**Table 1: Major DCM clients**

| | |
|---|---|
| Economic Commission for Europe | Office for Disarmament Affairs |
| Office of the High Commissioner for Human Rights | United Nations High Commissioner for Refugees |
| United Nations Conference on Trade and Development | Office of the Special Envoy for Syria |
| United Nations Convention to Combat Desertification | United Nations International Strategy for Disaster Reduction |
| United Nations Framework Convention on Climate Change | United Nations Compensation Commission |

3.      DCM was headed by a Director at D-2 level, who was accountable to the Director-General of UNOG for implementation of policies and procedures established by the Under-Secretary-General, DGACM.  It had four services, each headed by a D-1, namely: Central Planning and Coordination Service; Languages Service; Interpretation Service; and Productions and Support Service.  DCM's regular budget for the biennia 2014-2015 and 2016-2017 were $257.5 million and $233.8 million respectively, including funding for 625 and 603 posts, respectively.

4.      DCM used short-term staff for meetings assistance, documentation services, electronic publishing, interpretation, and reproduction and distribution, while contractors were used for documentation services only.  Consultants were used to provide various management support services including substantive training for translators and revisers, senior management training and voice workshop for interpreters.  During the period 1 January 2015 to 31 December 2016, DCM signed more than 3,000 contracts with short-term staff, consultants and contractors as shown in Table 2.

**Table 2: Use of short-term staff and contractors during the period 2015-2016**

| | Short-term staff | Individual contractors | Corporate contractors | Consultants | Total |
|---|---|---|---|---|---|
| Number of contracts | 1,875 | 1,149 | 6 | 16 | 3,046 |
| Number of short-term staff and contractors | 665 | 345 | 3 | 10 | 1,023 |
| **Total expenditure** | **$28,100,000** | **$5,100,000** | **$3,100,000** | **$160,000** | **$36,460,000** |

5.      The budget for the biennium 2016-2017 for conference management included various performance indicators for the achievement of DCM objectives, including the following related to the use of short-term staff and contractors: (a) raising the volume of contractual translation to 25 per cent of overall translation where that mode of delivery yields a final product of comparable quality to translation done in-house; (b) expansion of the freelance staff rosters in all languages and disciplines by at least 15 per cent; (c) 100 per cent capacity utilization of documentation and interpretation services; and (d) 100 per cent compliance with workload standards for documentation and interpretation services.

6.      Comments provided by UNOG are incorporated in italics.

## II.      AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7.      The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the recruitment and management of short-term staff, consultants and contractors for the provision of conference services at UNOG.

8.      This audit was included in the 2017 risk-based work plan of OIOS due to the risks associated with the extensive use of short-term staff, consultants and contractors for the provision of conference services at UNOG.

9.      OIOS conducted this audit from March to July 2017.  The audit covered the period from January 2015 to May 2017. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in the recruitment and management of short-term staff, consultants and contractors for the provision of conference services which included: planning and risk assessment; the selection process; and contract management including performance evaluation.

10.     The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; and (d) sample testing.

## III.     OVERALL CONCLUSION

11.     DCM had made improvements to the operational planning and quality control of work done by short-term staff and contractors.  Arrangements for recruitment of short-term staff and individual contractors were also satisfactory, and the procurement of corporate contractors was generally in accordance with the Procurement Manual. To strengthen organizational arrangements and controls, DCM needed to review the issue of funding core functions with non-post resources and perform cost-benefit analysis on the use of short-term staff and contractors taking into consideration the substantive and operational realities of the conference management work programme.  DCM also needed to finalize the standard operating procedures (SOP) on contractual translation, text processing and editing and assess the risks associated with the plans to centralize the recruitment of short-term staff under the global service delivery model.  In addition, there was a need to ensure that short-term staff have medical insurance and that their performance was evaluated.

# IV.    AUDIT RESULTS

## A.    Planning and risk assessment

<u>Need for cost-benefit analysis as an additional tool to reinforce operational planning</u>

12.    DCM had developed tools to project, update and analyze the volume, composition and timing of workload in order to allow for effective operational planning of the use of short-term staff and contractors to supplement the regular staff capacity.  Beginning 2017, DCM decentralized the planning and budgeting of Temporary Assistance for Meetings (TAM) funds and contractual funds by distributing these responsibilities to the Chiefs of translation sections to make the process of resource allocation planning and utilization more transparent and efficient.  The Chiefs were supported and assisted by the Contractual Working Unit, the Office of the Director of Languages Service, as well as the DCM Executive Office.  The Evaluation Analysis and Monitoring Section provided statistical reports and information to support planning and decision-making.  The compliance rate for timely issuance of documents in all official languages increased to 94 per cent in 2017 from 39 per cent in 2014 which was attributed in part to the effective use of short-term staff and contractors.

13.    According to the DGACM programme budget for the 2016-2017 biennium, the respective conference service entities should be engaged in efforts to rationalize, clarify and standardize costing methods in the context of Integrated Global Management of conference services.  UNOG had performed various reviews to compare the full costs associated with the use of short-term staff, individual contractors and corporate contractors.  However, the results of these reviews had not been consolidated and finalized.  Therefore, the total costs associated with the entire process of hiring, work performance, quality control and administration of short-term staff and contractors had not been clearly determined.  An analysis of the total costs would enable DCM to perform more effective cost-benefit analysis of the choice between short-term staff, individual contractors and corporate contractors.

> **(1)  The UNOG Division of Conference Management should coordinate with the UNOG Division of Administration to analyze the costs of the entire process of hiring and managing short-term staff and contractors.**
>
> *UNOG accepted recommendation 1 and stated that the cost-benefit analysis associated with the use of short-term staff and individual contractors would be reviewed.*  Recommendation 1 remains open pending receipt of evidence that UNOG has analyzed the costs of the entire process of hiring and managing short-term staff and contractors for conference services.

<u>Need to resolve the funding of core functions with non-post resources and update the organizational chart</u>

14.    The resources of DCM were distributed among three sub-programmes: planning and coordination of conference services, documentation services and meetings, and publishing services.  All of the sub-programmes provided for post and non-post resources.  Non-post resources included cost allocations for TAM funds as well as costs related to contractual services performed by individual and corporate contractors. DCM used TAM resources to fund the P-5 post of Deputy Chief of Languages Service/Chief of Translation and Editorial Support Section.  DCM explained that prior to establishing the P-5 post, it had to use the services of the chiefs of respective language sections on an ad hoc basis to perform the functions of Deputy Chief and to oversee the editorial support and text-processors functions.  While OIOS understands that operational imperatives should drive decision-making process, the use of non-post resources to fund a core post is not in line with the purpose for which the funds were approved, and efforts should be taken to regularize the core post.  At the time of the audit, the issue of funding of the post had

not been resolved.  In addition, DCM had changed the structure of the Languages Service by creating the Translation and Editorial Support Section but it had not updated its organigram to reflect this change.  The DCM organigram was also not consistent with the organizational structure in Umoja.

> **(2)** **The UNOG Division of Conference Management should: (a) resolve the issue of funding regular staff with non-post resources; and (b) formalize the organigram of the Languages Service consistent with the organizational structure in Umoja.**
>
> *UNOG accepted recommendation 2 and stated that: (a) the budget proposal for 2018-2019 submitted by DCM provided for creation of a P-5 post (Change Management Officer) in the Languages Service; and (b) the structure of the Languages Service would be formalized in line with the approved budget for 2018-2019.*  Recommendation 2 remains open pending receipt of evidence that: (a) the issue of funding regular staff with non-post resources has been resolved; and (b) the organigram of the Languages Service has been updated for consistency with the organizational structure in Umoja.

Need to finalize the SOPs for contractual translation

15.     Each DGACM duty station offered conference services depending on local circumstances and established its own work processes and procedures.  In 2016, DCM started documenting its processes by preparing SOPs covering various areas of work.  The SOPs were to identify the roles and responsibilities of all stakeholders and provide institutional recognition of best practices.  However, the SOPs (including the one on contractual translation, text processing and editing) had not been finalized.  DCM had created a workflow on the procedures for issuing individual contracts which identified the key players and their corresponding roles and responsibilities.  There was a need to finalize the SOP so that other important issues relating to the use of contractual translation such as: assigning a job to an individual translator or company; processing the contract and payments; and contractual text processing and editing could be formalized and approved.  This would help ensure that there is a common understanding of the established procedures and enhance efficiency and effectiveness.

> **(3)** **The UNOG Division of Conference Management should finalize the standard operating procedures on contractual translation, text processing and editing.**
>
> *UNOG accepted recommendation 3 and stated that the SOPs on contractual translation, text processing and editing would be finalized by the Languages Service at the earliest.* Recommendation 3 remains open pending receipt of the approved SOPs on contractual translation, text processing and editing.

Need to formally assess the risks relating to centralization of the recruitment of short-term staff

16.     With the implementation of Umoja, the United Nations Secretariat plans to move towards a global service delivery model.  DCM was of the view that the impact the centralization of recruitment of short-term staff could have on its operations is a risk that needs to be assessed so that appropriate mitigation measures could be identified.  However, the risk had not been formally assessed.  DCM used a large number of short-term staff (about 1,000 per year), it also worked closely with the International Association of Conference Interpreters (AIIC) – the only global association of conference interpreters – as well as the International Association of Conference Translators (AITC), both of which were based in Geneva.  The UNOG Chief of Languages Service served as Chair of the Classification Board for AITC, and the Chief of Interpretation Service was a member of the AIIC Classification Board.  It was essential for DCM in consultation with UNOG Human Resources Management Service (HRMS) to provide input to United Nations Headquarters on important factors that should be considered when centralizing the recruitment of

short-term staff, including the business case for Geneva being the hub for recruitment and management of short-term staff. This is necessary to ensure that important risk factors and DCM knowledge and experience gained from using a large number of short-term staff are taken into account in designing the global service delivery for short-term staff for conference services.

> **(4) The UNOG Division of Conference Management, in consultation with the Human Resources Management Service, should assess the risks associated with centralization of recruitment services for short-term staff and provide its input to Headquarters for consideration in designing the global service delivery.**
>
> *UNOG accepted recommendation 4 and stated that UNOG HRMS in consultation with DCM had started compiling data and making benefits analysis for centralization of recruitment services for short-term staff. Its inputs will be submitted to Headquarters by the end of the year.* Recommendation 4 remains open pending receipt of evidence that UNOG has submitted its inputs on centralization of recruitment services for short-term staff to Headquarters for consideration in designing the global service delivery.

## B.    Procurement and management of corporate contractors

Procurement of contractors was generally in accordance with the established procedures

17.    As of July 2017, DCM had five corporate contracts for translation, revision and editing. OIOS reviewed the procurement of two of these contracts that were awarded in 2017 and noted that the procurement was generally in accordance with the Procurement Manual. A source selection plan was prepared outlining all important elements relating to the procurement process including the technical evaluation criteria, the technical evaluation team, and the procurement timelines. A statement of requirements was documented and solicitation documents issued as required. The technical evaluation was done in accordance with pre-established evaluation criteria. A detailed presentation of the procurement case was submitted to the Committee on Contracts which approved the contract award.

## C.    Individual contractors

Roster management and quality control of individual contractors' work were satisfactory

18.    The DGACM Steering group approved the establishment of common criteria for inclusion in and removal from the individual contractors' roster for translators in August 2016. According to established criteria, other applicants than those who have retired or separated from service of the United Nations or other international organizations shall be subject to testing by the Languages Service. OIOS reviewed a sample of 20 contractors and noted that DCM complied with this requirement. OIOS also reviewed 42 assignments and noted that quality control of the individual contractors' work was conducted in all cases as required. OIOS therefore concluded that arrangements for managing the individual contractors' roster and conducting quality control of the contractors' work were satisfactory.

## D.    Short-term staff

Need to ensure that short-term staff have medical insurance

19.    OIOS reviewed a sample of 11 short-term staff who were granted initial appointments and noted that the arrangements for determining their grade and conducting reference checks for staff recruited for

the first time were adequate. HRMS conducted basic reference checks such as verification of diploma certificates and previous experience. However, OIOS review of 12 short-term staff profiles showed that two staff did not have medical insurance cards and had not certified that they were medically insured as required by the administrative instruction ST/AI/2010/4. In one case, the staff member subsequently provided proof of medical insurance for the year 2017 even though it was requested before the staff member's reappointment in February 2016. It is essential for short-term staff to have medical cover during their period of employment to avoid any costs or other risks to the Organization.

> **(5) The UNOG Human Resources Management Service should ensure that short-term staff certify that they have valid medical insurance for the duration of their appointment.**
>
> *UNOG accepted recommendation 5 and stated that UNOG HRMS would ensure that short-term staff members provide a copy of their medical insurance or certify that they have valid medical insurance for the duration of their appointment.* Recommendation 5 remains open pending receipt of evidence that mechanisms have been put in place to ensure that short-term staff members have valid medical insurance for the duration of their appointment.

Need to conduct performance evaluation for freelance interpreters

20. ST/AI/2010/4 Rev. 1 requires programme managers to issue a standard performance evaluation for staff members holding temporary appointments at the end of the temporary appointment regardless of duration. In 6 out of 12 cases reviewed, DCM did not conduct performance evaluations. The exceptions were mainly attributed to the Interpretation Service not being fully conversant with the performance evaluation requirements. While the Languages Service had put in place a mechanism to perform yearly performance evaluations covering all short-term staff contracts issued to freelance translators during a given year, the Interpretation Service had not established such a mechanism. Performance evaluations are required for all short-term staff to provide them with feedback on their performance. The results of performance evaluations should also inform or be part of the criteria for granting future contracts to such staff and for removing them from the roster if warranted.

> **(6) The UNOG Division of Conference Management should ensure that performance evaluations are done for all short-term staff after each assignment or a set of assignments.**
>
> *UNOG accepted recommendation 6 and stated that one report would be filled out annually for each freelance interpreter by the Interpretation Service.* Recommendation 6 remains open pending receipt of details of the mechanism put in place to ensure that performance evaluations of all short-term staff are documented after each assignment or a set of assignments.

# V.    ACKNOWLEDGEMENT

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


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Office of Internal Oversight Services

## STATUS OF AUDIT RECOMMENDATIONS

### Audit of the use of short-term staff, consultants and contractors for the provision of conference services at the United Nations Office at Geneva

| Rec. no. | Recommendation | Critical[1]/ Important[2] | C/ O[3] | Actions needed to close recommendation | Implementation date[4] |
|---|---|---|---|---|---|
| 1 | The UNOG Division of Conference Management should coordinate with the UNOG Division of Administration to analyze the costs of the entire process of hiring and managing short-term staff and contractors. | Important | O | Receipt of evidence that UNOG has analyzed the costs of the entire process of hiring and managing short-term staff and contractors for conference services. | 31 December 2018 |
| 2 | The UNOG Division of Conference Management should: (a) resolve the issue of funding regular staff with non-post resources; and (b) formalize the organigram of the Languages Service consistent with the organizational structure in Umoja. | Important | O | Receipt of evidence that: (a) the issue of funding regular staff with non-post resources has been resolved; and (b) the organigram of Languages Service has been updated for consistency with the organizational structure in Umoja. | 31 January 2018 |
| 3 | The UNOG Division of Conference Management should finalize the standard operating procedures on contractual translation, text processing and editing. | Important | O | Receipt of the approved SOPs on contractual translation, text processing and editing. | 30 June 2018 |
| 4 | The UNOG Division of Conference Management, in consultation with the Human Resources Management Service, should assess the risks associated with centralization of recruitment services for short-term staff and provide its input to Headquarters for consideration in designing the global service delivery. | Important | O | Receipt of evidence that UNOG has submitted its inputs on centralization of recruitment services for short-term staff to Headquarters for consideration in designing the global service delivery. | 31 December 2017 |
| 5 | The UNOG Human Resources Management Service should ensure that short-term staff certify that they have valid medical insurance for the duration of their appointment. | Important | O | Receipt of evidence that mechanisms have been put in place to ensure that short-term staff members have valid medical insurance for the duration of their appointment. | 31 December 2017 |
| 6 | The UNOG Division of Conference Management should ensure that performance evaluations are done | Important | O | Receipt of details of the mechanism put in place to ensure that performance evaluations of all | 31 January 2018 |

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[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 UNOG in response to recommendations.

**STATUS OF AUDIT RECOMMENDATIONS**

**Audit of the use of short-term staff, consultants and contractors for the provision of
conference services at the United Nations Office at Geneva**

| Rec. no. | Recommendation | Critical[1]/ Important[2] | C/ O[3] | Actions needed to close recommendation | Implementation date[4] |
|---|---|---|---|---|---|
|  | for all short-term staff after each assignment or a set of assignments. |  |  | short-term staff are documented after each assignment or a set of assignments. |  |

# APPENDIX I

# Management Response

## Management Response

### Audit of the use of short-term staff, consultants and contractors
### in the provision of conference services at the United Nations Office at Geneva

| Rec. no. | Recommendation | Critical[1]/ Important[2] | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|---|---|---|---|---|---|---|
| 1 | The UNOG Division of Conference Management should coordinate with the UNOG Division of Administration to analyze the costs of the entire process of hiring and managing short-term staff and contractors. | Important | YES | Chief, HRMS, UNOG | 31 December 2018 | Comments are included in the report. |
| 2 | The UNOG Division of Conference Management should: (a) resolve the issue of funding regular staff with non-post resources; and (b) formalize the organigram of the Languages Service consistent with the organizational structure in Umoja. | Important | YES | Chief, Languages Service and Executive Officer, DCM | 31 January 2018 | Comments are included in the report. |
| 3 | The UNOG Division of Conference Management should finalize the standard operating procedures on contractual translation, text processing and editing. | Important | YES | Chief, Languages Service | 30 June 2018 | Comments are included in the report. |
| 4 | The UNOG Division of Conference Management, in consultation with the Human Resources Management Service, should assess the risks associated with centralization of recruitment services for short-term staff and provide its input to Headquarters for consideration in designing the global service delivery. | Important | YES | Chief, HRMS, UNOG | 31 December 2017 | Comments are included in the report. |

[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.

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| 5 | The UNOG Human Resources Management Service should ensure that short-term staff certify that they have valid medical insurance for the duration of their appointment. | Important | YES | Chief, HRMS, UNOG | 31 December 2017 | Comments are included in the report. |
|---|---|---|---|---|---|---|
| 6 | The UNOG Division of Conference Management should ensure that performance evaluations are done for all short-term staff after each assignment or a set of assignments. | Important | YES | Chief, Interpretation Service<br><br>Chief, Languages Service | 31 January 2018 | Comments are included in the report. |