



INTERNAL AUDIT DIVISION

REPORT 2018/091

Audit of the upgraded MSRP Human Resources Module at the Office of the United Nations High Commissioner for Refugees

The MSRP Human Resources Module upgrade has improved some targeted processes, but there is a critical need to ensure that appropriate technology solutions support the recruitment processes for all staff categories

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Audit of the upgraded MSRP Human Resources Module at the Office of the United Nations High Commissioner for Refugees

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the upgraded Managing for Systems, Resources and People (MSRP) Human Resources (HR) Module at the Office of the United Nations High Commissioner for Refugees (UNHCR). The objective of the audit was to assess whether the MSRP HR Module upgrade had achieved its objective of improving UNHCR's operational efficiency in HR management and enhanced the internal controls in its HR business processes. The audit covered the period from 1 January 2017 to 30 April 2018 and included a review of the MSRP functionalities for recruitment of various categories of staff and administration of staff/affiliate personnel.

Whilst the MSRP HR Module upgrade had improved some targeted processes, there was a critical need for UNHCR to ensure that appropriate technology solutions better support the recruitment processes for all staff categories, since the recruitment of general service and national staff members and staff on temporary assistance continued to be undertaken outside the system. In addition, whilst UNHCR had started to record affiliate personnel in the HR Module, the related data was inaccurate and unreliable. There was also a need to strengthen the HR transactions audit process and to clarify the related accountabilities and responsibilities, and to take effective measures to speed up accurate and timely data recording, as various personnel administration activities were delayed, which affected the accuracy of the HR records. Lastly, arrangements for handling the staff separation process were inadequate.

OIOS made one critical and four important recommendations. To address issues identified in the audit, UNHCR needed to:

- Review and streamline processes and workflows underlying recruitment prior to considering any future software modifications; and put in place a time-bound action plan to implement the use of the MSRP HR Module for recruitment of general service/national staff, external recruitment of professional staff and temporary staff (**critical**);
- Implement effective mechanisms for the management of all categories of affiliate personnel and the provision of reliable data on them;
- Strengthen oversight and monitoring to ensure that: (a) the auditor/auditee relationship records linked to the HR transaction audit process is kept updated; (b) the HR Transactions Audit Report provides complete and reliable information on all HR actions including historical transactions and data deletions; and (c) the accountabilities and responsibilities for processing of personnel actions at the headquarters and field are clarified;
- Roll out, where warranted, the HR Module to the Representations where it has not yet been implemented, and take effective measures to speed up accurate and timely data recording; and
- Implement an action plan to address control shortcomings in the staff separation process and to handle the large pendency of separation cases in the HR Module.

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

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Audit of the upgraded MSRP Human Resources Module at the Office of the United Nations High Commissioner for Refugees

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the upgraded Managing for Systems, Resources and People (MSRP) Human Resources (HR) Module at the Office of the United Nations High Commissioner for Refugees (UNHCR).

2. At the end of 2017, UNHCR had about 16,000 personnel: 3,300 in the professional category; 8,500 in the general service and field service categories; and 4,200 affiliate personnel. In 2005 UNHCR launched the Human Resources and Payroll Module of MSRP (the UNHCR enterprise resource planning system) project to replace the mainframe based legacy human resources and payroll systems. The Human Capital Management (PeopleSoft HCM) version 8.9 web-based application was implemented in UNHCR headquarters and deployed to field offices between 2006 and 2009. The support for version 8.9 ended in December 2012 and there was a pressing need to update the application version, since the maintenance work had increased significantly. The upgrade project to version 9.2 (released by Oracle in March 2013) envisaged a multi-phased and two-step approach to the implementation. The Project Business Case raised in July 2014 included the key objective of better aligning the system with UNHCR human resources priorities. Key processes targeted for improvement included: (a) introduction of a management hierarchy; (b) tracking of affiliate personnel in the MRSP system; (c) improved recruitment processing including redesigned P11 (United Nations Personal History Form) and candidate matching process supported by job profiles and personal profiles; (d) improved absence management to include mission tracking and staff presence in the office; (e) improved career management to ensure all staff member interactions are logged and followed up; (f) tracking of temporary assignments/appointments; and (g) improved performance management through more intuitive and simpler user experience.

3. The upgrade was also aimed at ensuring that the Division of Human Resources Management (DHRM) becomes a strategic partner of other UNHCR Divisions, Bureaux and field operations, through improved efficiencies and better functionalities. Furthermore, the upgrade of the HR and Payroll Module was necessary to reduce the risks of lack of interoperability with the new version of MSRP Finance and Supply Chain (the MSRP Finance and Supply Chain upgrade was already in progress). The upgrade project had two phases, both of which were planned for completion by December 2017. Up until May 2018, UNHCR had spent \$3 million against a budget of \$8 million.

4. Comments provided by UNHCR are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

5. The objective of the audit was to assess whether the MSRP HR Module upgrade had achieved its objective of improving DHRM's operational efficiency and enhanced the internal controls in its business processes.

6. This audit was included in the 2018 risk-based work plan of OIOS because of the inherent risks pertaining to the design, development and implementation of the new system, which could affect the timely and accurate delivery of human resources management processes throughout UNHCR.

7. OIOS conducted this audit from February to June 2018. The audit covered the period from 1 January 2017 to 30 April 2018. Based on an activity-level risk assessment, the audit covered higher and

medium risk areas in the use of the MSRP HR Module at headquarters and in field operations, which included: recruitment of various categories of staff; and administration of staff/affiliate personnel. The audit did not include the review of: project management; performance management; and the MSRP Payroll component, as these aspects may be reviewed in separate audits.

8. The audit methodology included: (a) interviews of key personnel; (b) reviews of relevant documentation; (c) analytical reviews of data; (d) observation of the system functionalities; and (e) sample testing of MSRP HR data and reports.

9. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Recruitment of various categories of staff

There was a critical need for UNHCR to ensure that appropriate technology solutions support the recruitment processes for all staff categories

10. The aim of the MSRP HR upgrade was to have an automated and transparent process for temporary assignments and recruitment of international professionals, as well as improved functionalities to manage staff assignments through profile matching to reduce the likelihood of staff being between assignments, to eliminate the input of repetitive data to reduce costs and human error, and to have adequate oversight of local recruitment by Representations. OIOS reviewed the upgraded arrangements for recruitment of professional, general service and temporary staff and for reassignment of professional staff and compared this with the expected project objectives and benefits. For the reassignment of professional staff members, the upgraded MSRP HR Module satisfactorily handled 1,400 cases in 2016 and 2017, including the processes from the vacancy management to the application and final reassignment of internal professional staff members.

11. The MSRP solution implemented was not yet fit for purpose for temporary, external and local staff recruitment, and further customization and security configuration were required. For external recruitment including Talent Pools, it was primarily used for receiving applications and updating candidate status. In addition, it was used for assignment of professional category staff, and for local staff recruitment in Geneva. The system should have ideally addressed the entire recruitment process (end to end) and driven through a workflow methodology. The following examples demonstrate the need for MSRP to be significantly enhanced to ensure it is systematically used by all those responsible for recruitment and is a tool for UNHCR to monitor and report on the efficiency and effectiveness of the recruitment process.

- In 2016 and 2017, the Emergency Response and Temporary Staffing Needs Unit (ERTS) of DHRM's Career Management Support Section received approximately 4,200 requests for temporary assistance. ERTS was managing the process using a spreadsheet tracking table that recorded all requests received via a dedicated mail box. The system used by ERTS was cumbersome and did not consolidate all steps in the recruitment process, and therefore was lacking in accountability and process ownership. This was because the process was shared among ERTS, the Talent Outreach and Acquisition Section (TOAS) and the Personnel Administration and Payroll Section (PAPS). Furthermore, the stand-alone tracking table did not contain details of the actions taken by PAPS. For example, ERTS remained unaware whether: (a) the recommended staff member for temporary assistance was processed by PAPS; and (b) whether the selected candidate assumed her/his functions at the requesting office/operation. The system also did not allow the

temporary recruitment process to be centrally monitored, with the following details being available: (a) the average time to recruit and deploy staff on temporary assistance; (b) the status of each request; and (c) reasons for any delay in deployment. OIOS concluded that the HR Module upgrade did not achieve its aim of setting up an automated and transparent process within MSRP for temporary assignments and recruitments, using automated filtering/screening techniques.

- TOAS undertakes external recruitment and management of talent pools of professional category staff members in UNHCR. In 2016 and 2017, TOAS received external applications for 28 talent pool profiles and recruited about 850 staff. While TOAS used the MSRP 'Recruitment Module', several critical supporting processes were performed outside of the system as MSRP lacked the necessary functionality. For instance, TOAS received the applicants' details, which were summarized from the on-line application process for job openings or talent pool positions in spreadsheets from the Workforce Analysis and Business Intelligence Unit (WABI) under the Deputy Director, DHRM. TOAS then used the spreadsheet data to assess the candidates for eligibility and suitability for the job opening. TOAS shared the spreadsheets among different users (by email / shared folder) and periodically updated them with the results, such as psychometric tests and language skills. This resulted in lack of transparency and visibility of the screening process as the workings in the spreadsheets were not reflected in MSRP.
- In 2016 and 2017, about 4,500 national staff were hired/rehired in 125 Representations. Twelve of these Representations hired/rehired over 100 staff members. The Representations relied on disparate manual processes to recruit national staff. This was because the MSRP Recruitment Module did not have the required security configurations to allow for deployment and roll out to all field locations. The Representations in Uganda and Lebanon that hired large numbers of staff used locally developed recruitment portals primarily to place vacancy announcements and receive applications. Although these were innovative tools, there were security risks related to unauthorized access to personnel information and lack of assurance of continued technical support and maintenance. Consequently, the Assignments and Promotions Section of DHRM lacked the means to monitor and support local recruitment of national staff and there was no assurance that the processes used by the Representations were efficient, effective and transparent. Key performance indicators such as how long the entire process lasted – from advertisement of a position to decision by the appointment committees and onboarding of staff – were not available. Without a reliable organization-wide system that provided the details of national staff recruitment world-wide, DHRM lacked the information and tools to ensure effective and consistent implementation of relevant policies and to discharge its oversight role.

12. While MSRP was being used for professional staff and general service recruitment in Geneva, the continuance of manual and ad-hoc arrangements demonstrated that a key objective of the HR Module upgrade had not been achieved. As a result, DHRM's ability to review and monitor overall recruitment in the Organization was significantly impaired, and without a truly integrated and comprehensive recruitment model in MSRP, UNHCR had missed an opportunity to achieve the desired efficiencies and economies of scale in this area.

13. DHRM clarified that whilst MSRP possessed the recruitment functionality for general service staff, its deployment for the recruitment of general service staff at the field Representations would require modifications to the security configurations. OIOS does not consider this as a sufficient justification for delayed deployment, considering that MSRP has been used for professional staff recruitment since 2006. This situation also arose because the underlying processes were cumbersome and inefficient and putting a system on top of such processes was ineffective. In the opinion of OIOS, there has been insufficient prioritization given to system development for the recruitment of general service staff, as well as inadequate

attention and monitoring to ensure the specifications in the business case were translated into deliverables that achieved the intended purpose. OIOS considers this to be a critical shortcoming.

(1) The UNHCR Division of Human Resources Management should: (a) review and streamline processes and workflows underlying recruitment prior to considering any future software modifications; and (b) put in place a time-bound action plan to implement the use of MSRP HR Module for recruitment of general service/national staff, external recruitment of professional staff and temporary staffing.

UNHCR accepted recommendation 1 and stated that a DHRM Governance Board had been established in May 2018 with the mandate of approving critical or technically required updates. The Board met regularly to ensure that processes and workflows were streamlined prior to considering any enhancements/customizations to MSRP HR Module. The DHRM Governance Board approved, in the second quarter of 2018, the deployment of the MSRP Recruitment Module to local offices, initially in four pilot areas (Turkey, Lebanon, Hungary and Ethiopia) in the last quarter of 2018. Following successful deployment of the local Recruitment Module, a solution for temporary staffing needs would be developed during 2019; and regarding external recruitment enhancements, relevant actions were ongoing. These included the consideration of an artificial intelligence (AI) solution for automated screening of Talent Pool applicants (followed by AI solution for other screenings) and enhancement for tracking of talent pool and Group 2 candidates. Recommendation 1 remains open pending confirmation, with documentary evidence, that processes and workflows underlying recruitment are reviewed prior to considering any software modifications and that the MSRP Recruitment Module is used for the recruitment of all categories of UNHCR staff

There was a need to ensure effective management and reporting of information on affiliate personnel

14. A key process targeted for improvement in the HR Module upgrade was the effective management and reporting of information regarding affiliate personnel. The upgrade project also aimed at implementing direct interfaces with major affiliate personnel providers, which was to be preceded by review and rework of policy and procedures relating to management of affiliates.

15. UNHCR launched the MSRP solution for affiliate personnel in February 2017 with the objective of facilitating administrative procedures such as contract renewals and enable better follow up on health, welfare and security issues as well as improve statistical reporting on UNHCR's global workforce. The Divisions, Regional Bureaux and Representations (if they had the delegation of authority from the Bureaux) carried out the recruitment of affiliates while the Affiliated Work Force (AWF) Unit focused on their administration.

16. There were 40 categories of affiliates in the MSRP system and the AWF Unit managed the administration of five of them: (a) individual consultants; (b) individual contractors; (c) United Nations Volunteers; (d) Interns; and (e) United Nations Office for Project Services (UNOPS) personnel. The remaining 35 categories – marked as 'deployees' – were managed by the headquarters Divisions such as Division of International Protection, Division of External Relations, Division of Programme Support and Management and Division of Emergency, Security and Supply, as well as their relevant administrators in the field offices.

17. OIOS noted that there were 4,250 affiliates at the time of the audit of which 70 per cent belonged to the UNOPS category. The upgrade included a planned interface with affiliate personnel providers, but this did not materialize due to data being captured differently in the UNOPS systems versus MSRP requirements. Furthermore, for individual consultants and individual contractors, the Divisions/Bureaux performed the entire recruitment process outside the MSRP system and the processes followed lacked

consistency among the recruiting offices. For instance, in the case of individual consultants, contracts were issued from MSRP Finance and Supply Chain Module as purchase orders. However, in the case of individual contractors, offline contracts were also issued and not always through purchase orders.

18. The Representations to which MSRP HR Module administration had been rolled out recorded the affiliates' data in MSRP. MSRP pages pertaining to workforce administration, personal information, job information, contact information and citizenship were used for the purpose. Twenty-five Representations provided the details of their affiliates and the relevant documents (such as copies of birth certificate and passports) to the AWF Unit for data entry.

19. There was no assurance on the quality and completeness of the data captured in the MSRP solution for affiliate personnel. From its review of MSRP data, OIOS noted that quality of data was poor and some basic data validation controls were absent:

- 390 personnel had no business or job title;
- 1,650 personnel's contract had expired (about 38 per cent);
- 33 personnel did not have a date of birth. Although there was a warning to validate the birth date for those less than 15 years, in one case, the date of birth was recorded as 8 January 2018; and
- The first name was not filled for 75 personnel.

20. Consequently, UNHCR still lacked a reliable and streamlined system to manage and provide consistent information on affiliate personnel which constituted a quarter of the total UNHCR personnel. This condition arose because MSRP HR Module upgrade deliverables related to the affiliate personnel had not been adequately monitored as a result of which UNHCR accepted a partial and sub-optimal solution.

(2) The UNHCR Division of Human Resources Management should ensure the implementation of effective mechanisms for the management of all categories of affiliate personnel and the provision of reliable data on them.

UNHCR accepted recommendation 2 and stated that since the launch of the Administrative Instruction on Access Controls Management for ICT Systems, Application, and Service, on 31 March 2018, unless there was an active record and current active contract in MSRP HR Module, the affiliate's access to email and other systems would be removed. This created an incentive for the affiliate administrators to keep data current which would result in reliable and improved data on affiliate workforce. Additionally, the AWF Unit provided direct data entry support to the remaining countries to which MSRP HR access could not be rolled out. Further, regular monitoring of data integrity by the AFW Unit was being implemented with the aim of ensuring data accuracy and, lastly, counter-checking of MSRP HR data on affiliates was being done against data received from the ERP systems of affiliate partners. As a result of these efforts, by September 2018, the gap between the number of active affiliate personnel in MSRP HR and the estimated number of affiliates working for UNHCR had reduced to about 9 per cent and this figure would continue to decrease. Recommendation 2 remains open pending receipt of evidence that the quality control measures implemented provide reliable data on affiliate personnel.

B. Administration

There was a need to strengthen the HR transactions audit process and to clarify the related accountabilities and responsibilities

21. The MSRP HR Module upgrade aimed to address checking of data entry by managers and strengthening of business rules on data entry and validation to reduce errors. Best practice also requires

that a division of roles and responsibilities is implemented that reduces the possibility that a single individual to compromise a critical process. As part of the upgrade project, UNHCR needed to make sure that personnel performed only authorized duties relevant to their respective jobs and positions. Roles and access limits need to be specified in accordance with the business requirements to prevent unauthorized override of these procedures.

22. Since the data was "live" as soon as it was recorded by a Human Resources Assistant and needed no further online confirmations, UNHCR established a manual, but post-facto and offline, control procedure to review the transactions recorded. This process existed in the previous version of the HR Module and was not modified in the current version.

23. The HR Module generated a report called HR Transaction Audit Report and emailed it to the Human Resources Officers (called "auditors" in the system). This report contained the details of all actions initiated the previous day by the Human Resources Assistants ("auditees") reporting to them. The objective of this process was that by reviewing this report, the Human Resources Officers would be able to verify the correctness of the actions taken by the Human Resource Assistants.

24. In practice the "audit" process for all country offices that used the HR Module was that all actions performed by a local Human Resources Assistant (auditee) were captured in the daily HR Transactions Audit report and emailed to the country office's focal point who could be a Human Resources Officer or an Assistant (auditor) in PAPS in Budapest. Similarly, all actions performed daily by a Human Resources Assistant in Budapest (auditee) were captured in a similar HR Transactions Audit Report and emailed to his/her supervisor (auditor). This process was aimed at ensuring that every action initiated by one staff member was reported to the attention of another staff member one day later.

25. DHRM established the HR Transactions Audit Report process to capture all the changes made to the HR data by the users who have the relevant authority in the HR Module. PAPS relied on the transactions audit process as an effective tool to discharge its oversight function on staff administration. In particular, this report aimed to capture all the changes that triggered payroll actions.

26. OIOS observed control weaknesses in this process. For example, the focal point for the HR Transactions Audit in Budapest maintained a spreadsheet-based chart listing the auditors and the auditees. This table was updated twice in 2016 (January and May) and five times in 2017 (January, July, August, September and October), but it had not been updated since that time as of May 2018. In addition, OIOS compared the entries in the last available auditors/auditees table from October 2017 with the staff who had the Human Resources Officer (access to add, update and display HR records) and noted that 30 HR staff were not in the chart. As a result, there was no assurance that the table was complete. Consequently, transactions processed by these 30 staff members (auditees), for instance between October 2017 and May 2018, had not been reviewed by auditors. Any errors in data recording would thus not have been identified and corrected. Similarly, the transactions processed by new Human Resources/Administrative Assistants between May and December 2016 were not audited. The discrepancies were due to the manual process put in place to keep the table of auditors and auditees up-to-date. This manual process was not consistent with the dynamic/system related process to revoke access rights to the HR Module based on changes to a staff member's job title/position number or location.

27. At the time of this audit, DHRM had made some modifications to this process and was ready to roll-out the revised process. The new process discontinued the practice of emailing the reports to the auditors, instead, an e-mail would be sent to all the auditors with a link to download the reports and requiring the auditors to confirm on-line that they had reviewed the transactions. This new process also archived the past reports and enabled the auditors to revisit them when needed. Despite the changes, OIOS was of the

view that these improvements did not address the issue of ensuring that the table of auditors and auditees was kept updated.

28. In addition to the control weakness detailed above, OIOS review noted that 2,200 job records were deleted in 2017. UNHCR explained that they were considered erroneous and required correction. However, this was not a good practice as deleting job records curtailed the audit trail, impeded review and affected the accuracy of the HR records. Furthermore, there were no compensatory controls to confirm that only incorrect records were deleted. For instance, OIOS observed that some of the deleted records were not included in the transaction audit report. Also, the transaction audit report captured and provided only partial details of deleted records. Another deficiency in this report was that it could be run only for the existing staff members who performed HR functions. It was not possible to run historical reports for the staff who had ceased to perform HR functions or for staff members who processed HR transactions but had separated from UNHCR. Considering that PAPS primarily relied upon post-facto controls to confirm transactions, this condition undermined the completeness and reliability of the HR Transactions Audit Report.

29. OIOS observed that the effectiveness of the transactions audit process had diminished over time. The objective of the HR Transactions Audit Report was to facilitate the HR Assistants in identifying glaring data recording errors made by the Representations using the HR Module and initiate corrective actions. This was consistent with the oversight responsibility of PAPS for all HR administration issues. However, several HR Assistants in PAPS believed that it would be unfair to hold them accountable if they failed to detect erroneous data recordings approved by the HR/Administrative Officers in the field, since they did not have access to supporting documents. This condition existed because of inadequate supervision and monitoring and due to lack of clarity in roles and responsibilities of different units involved in the HR transactions processing.

(3) The UNHCR Division of Human Resources Management should strengthen oversight and monitoring to ensure that: (a) the auditor/auditee relationship records linked to the HR transaction audit process is kept updated; (b) the HR Transactions Audit Report provides complete and reliable information on all HR actions including historical transactions and data deletions; and (c) the accountabilities and responsibilities for processing of personnel actions at the headquarters and field are clarified.

UNHCR accepted recommendation 3 and stated that: (a) a mechanism would be put in place to alert when an auditor/auditee had changed job, position, location, or status (i.e. from Active to Terminated or Leave) so that the name could be updated for continuity of the auditing process; (b) the associated report process would be revised to take into account historical transactions, including those of an auditor or auditee who has moved on, or changed status; and (c) an internal communication would be planned, within DHRM/PAPS, to clarify field offices' and headquarters' roles and responsibilities related to the auditor/auditee process. Recommendation 3 remains open pending receipt of evidence that: the processes are in place to keep the auditor/auditee record link updated; the HR Transactions Audit Report displays all transactions processed, including deletions; and internal communication is issued on the roles and responsibilities of staff involved in the processing of personnel actions.

DHRM needed to ensure accurate and timely processing of personnel actions

30. One of the objectives of the MSRP HR Module upgrade was to enable DHRM to gain the necessary efficiencies and functionalities in transactions processing. OIOS noted that for staff administration processes, the upgrade had been rolled-out to only 65 Representations, or about half of all Representations globally. In Representations where the HR Module was not rolled-out, staff administration data was processed either by the Regional Offices or PAPS in Budapest.

31. There were three HR administration data transaction processing scenarios at UNHCR: (a) PAPS recorded all data related to the administration of all staff members in the professional category, general service category (both in Geneva and Budapest), and all field service staff. All supporting documents were received and available in Budapest; (b) Representations that had no HR Module access, prepared and forwarded the personnel action information forms containing the details of the staff member and the nature of the action (for example, recruitment or an entitlement to a dependency benefit) either to their Regional Offices or to PAPS. All supporting documents were maintained in the Representations; and (c) Representations where the HR Module was implemented, the respective offices did the data entry and maintained all the supporting documents.

32. Whilst MSRP is an on-line and real-time system, any delays in processing the personnel action information forms could affect the payroll computations (such as retroactive entitlement) or the operations (the opportunity cost due to the delayed deployment of staff). To test this condition, OIOS analyzed the “action reasons” field pertaining to job data table that had values, such as, change of duty station; extension of fixed-term appointment; extension of temporary appointment; sick leave half pay and appointment board / committee selections. The data was extracted from the audit table. The test covered 2017 and the results are provided hereunder (all these instances would have appeared in the HR Transactions Audit Reports for review by HR/Administrative Officers and PAPS):

- Out of the 44,000 job related transactions, for 6,400 transactions (or 15 per cent, affecting 2,045 unique staff IDs) the effective date of the action preceded the date of recording by two months; and
- In over 900 cases, the effective date of the action preceded the date of recording by over a year.

33. This indicated that the personnel actions were not always processed in a timely manner. While some of these actions could be justified, such delays could affect the integrity of the HR records and payroll processing. The possible reasons for the delays were a combination of: Representations failing to process the actions on time; Representations not transmitting the personnel action information forms for processing on time to the Regional Offices or PAPS; and delays at the Regional Offices or PAPS in processing the personnel action information forms. Another potential reason for the delay was the large number of Representations lacking HR Module access, since half of them still processed transactions manually outside of MSRP and depended on the Regional Offices/PAPS for data entry into MSRP. According to DHRM, the HR Module, unlike the MSRP Finance and Supply Chain Modules, could not be rolled out to the Representations that had small numbers of local staff members.

(4) The UNHCR Division of Human Resources Management should, where warranted, roll out the HR Module to all the Representations where the Module has not yet been implemented and take effective measures to speed up accurate and timely data recording.

UNHCR accepted recommendation 4 and stated that an annual review was in place whereby current non-rolled out offices were reviewed to determine if further deployment of MSRP HR Module needed to be done. Measures would be planned for understanding the reasons for delayed updates of job transactions, followed by a mechanism to track transactions that crossed an agreed/acceptable timeframe. Recommendation 4 remains open pending evidence that measures and procedures are effectively in place to monitor delayed processing of job transactions beyond acceptable timeframe.

There was a need to address control shortcomings in the arrangements for handling staff separation

34. DHRM has the responsibility to manage a process to record staff benefits, entitlements and awards and provide timely support in relation to separation from service. In order to do this a Personnel Payroll Clearance Action (P35) should be completed for all separating staff to ensure that the necessary clearances

have been secured, all entitlements on separation recorded, and any outstanding obligations settled before the staff member's departure. All outstanding obligations due to UNHCR are deducted from the staff member's final payment.

35. DHRM had implemented an automated process for staff separation. The separation or P35 process was not a delivered functionality but was developed as a bolt-on and added to the HR Module. The process involved the administration (HR and Finance) at the Representations and PAPS and Accounts and Finance Section of Division of Financial and Administrative Management at the headquarters to ensure that all outstanding amounts from a separating staff member had been identified and marked for deduction against the final pay. DHRM had rolled out the P35 process to about 25 Representations. The non-rolled out Representations followed the legacy paper based process for staff separation and submitted the relevant supporting documentation to PAPS for processing. OIOS noted that the separation process was not functioning effectively as indicated below:

- 7,440 separated staff cases were outstanding in the P35 process at the time of the audit;
- 5,500 cases related to 2015 and earlier years, and about half of these cases related to the years from 2007 to 2012; and
- 184 staff members had multiple (between two and six) pending P35 processes against them. Some separated staff had been rehired subsequently and were working at the time of audit. For instance, one staff member was terminated five times (2009, 2011, 2012, 2014 and 2015) although the job record described that the P35 process was not completed. The staff member was rehired again in 2015 and remained a staff member at the time of audit. Another staff member was terminated three times (2013, 2015 and 2017). While all three P35 processes were pending, he was rehired in 2017.

36. PAPS explained that the main reason for the large backlog in the P35 processing was the lack of staff resources. However, in OIOS's opinion, there were also no control mechanisms in place to ensure that the outstanding cases were monitored and the process completed within a reasonable period. No management reports were available detailing information on the financial impact of these pending cases, including moneys due or owed.

(5) The UNHCR Division of Human Resources Management should implement an action plan to address control shortcomings in the staff separation process and to handle the large pendency of separation cases in the MSRP HR Module.

UNHCR accepted recommendation 5 and stated that the MSRP online P35 process originally went live with only the Human Resources Staff Services (HRSS) having central access. Lack of resources to keep P35 data updated for all operations led to incomplete tracking in MSRP. In 2018 DHRM developed various trainings to support field roll-out of this functionality. The first training was held in September 2018 for Greece. While access was not yet fully rolled out, HRSS would be responsible for P35 data updates. Currently all records related to 2017 and 2018 were up-to-date. Until all roll-outs were completed, HRSS would continue that responsibility, on a monthly basis in line with the monthly payroll process, to keep the system updated. For older records with termination dates prior to 2017, an exercise would be carried out to clean up the 'Pending P35' records. Recommendation 5 remains open pending confirmation that the actions and processes implemented have cleared the backlog in the separation cases and the new cases are handled within set time limits.

Managing users for processing administrative actions was satisfactory

37. The 2014 UNHCR Operational Guidance on ICT Security specifies that DIST, in close coordination with responsible UNHCR managers, should put in place appropriate access control to ICT

systems to ensure that access is available only to current members of staff, other authorized individuals and entities who require it in the course of their official duties, and that the rights of user access take proper account of the type and level of sensitivity of the information concerned. The security focal points in PAPS, and other areas of the HR Module authorized the MSRP Security Team to provide access rights to new users (staff members), or to modify existing users' access to the HR Module for performing MSRP administrative or view functions on staff, applicant, or affiliate records. All granting of the access rights and modifications thereto was processed by raising incidents in UNHCR's Global Service Desk system. Access rights were automatically disabled by the system upon detection of changes to a HR staff member's profile such as a change of job or duty station or position number. OIOS reviewed the user management process and was satisfied with the controls in place.

IV. ACKNOWLEDGEMENT

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

(Signed) Eleanor T. Burns
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Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the upgraded MSRP Human Resources Module at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The UNHCR Division of Human Resources Management should: (a) review and streamline processes and workflows underlying recruitment prior to considering any future software modifications; and (b) put in place a time-bound action plan to implement the use of MSRP HR Module for recruitment of general service/national staff, external recruitment of professional staff and temporary staffing.	Critical	O	Submission to OIOS of evidence confirming that processes and workflows underlying recruitment are reviewed prior to considering any software modifications and that the MSRP Recruitment Module is used for the recruitment of all categories of UNHCR staff.	31 December 2019
2	The UNHCR Division of Human Resources Management should ensure the implementation of effective mechanisms for the management of all categories of affiliate personnel and the provision of reliable data on them.	Important	O	Submission to OIOS of evidence that the quality control measures implemented provide reliable data on affiliate personnel.	31 March 2019
3	The UNHCR Division of Human Resources Management should strengthen oversight and monitoring to ensure that: (a) the auditor/auditee relationship records linked to the HR transaction audit process is kept updated; (b) the HR Transactions Audit Report provides complete and reliable information on all HR actions including historical transactions and data deletions; and (c) the accountabilities and responsibilities for processing of personnel actions at the headquarters and field are clarified.	Important	O	Submission to OIOS of evidence confirming that: the processes are in place to keep the auditor/auditee record link updated; the HR Transactions Audit Report displays all transactions processed, including deletions; and internal communication is issued on the roles and responsibilities of staff involved in the processing of personnel actions.	30 June 2019
4	The UNHCR Division of Human Resources Management should, where warranted, roll out the	Important	O	Submission to OIOS of evidence confirming that measures and procedures are in place to monitor	30 September 2019

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 UNHCR in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the upgraded MSRP Human Resources Module at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
	HR Module to all the Representations where the Module has not yet been implemented and take effective measures to speed up accurate and timely data recording.			delayed processing of job transactions beyond acceptable timeframe.	
5	The UNHCR Division of Human Resources Management should implement an action plan to address control shortcomings in the staff separation process and to handle the large pendency of separation cases in the MSRP HR Module.	Important	O	Submission to OIOS of confirmation that the actions and processes implemented have cleared the backlog in the separation cases and the new cases are handled within set time limits.	31 December 2019

APPENDIX I

Management Response

Management Response

Audit of the upgraded MSRP Human Resources Module at the Office of the United Nations High Commissioner for Refugees

Rec. no.	Recommendation	Critical ⁵ / Important ⁶	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNHCR Division of Human Resources Management should: (a) review and streamline processes and workflows underlying recruitment prior to considering any future software modifications; and (b) put in place a time-bound action plan to implement the use of MSRP HR Module for recruitment of general service/national staff, external recruitment of professional staff and temporary staffing.	Critical	Yes	Head of Service (A & CM)	a) Ongoing b) Targeting completion of items 1 and 2, by Q4 2019. Item 3 is ongoing.	a) The DHR Governance board is in place since May 2018. It meets regularly and consistently to ensure that processes and workflows are properly streamlined prior to considering any enhancements/customisations to MSRP HR modules, with the mandate of approving only critical or technically required updates. b) 1. In Q2 2018 DHR Governance approved work required to deploy the Recruitment module to local offices as a high priority item. A pilot covering 4 operations will be implemented by Q4 2018 (Turkey, Lebanon, Hungary and Ethiopia) 2. Following successful deployment of the local Recruitment module, a solution for temporary staffing needs will be developed during 2019. 3. Concerning external Recruitment enhancements, this is ongoing and continues in order to support the processes. The following items are currently in the pipeline, and many of these will be completed between Q3

⁵ 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.

⁶ 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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						2018 and Q4 2019: inter alia connection to an artificial intelligence (AI) solution for automated screening of Talent Pool applicants (followed by AI solution for all other screenings); enhancement for tracking fully vetted talent pool candidates; enhanced tracking for Group 2 candidates.
2	The UNHCR Division of Human Resources Management should ensure the implementation of effective mechanisms for the management of all categories of affiliate personnel and the provision of reliable data on them.	Important	Yes	Senior Advisor	Targeting completion by Q1 2019.	<p>- Since the 31 March 2018 launch of the Administrative Instruction on Access Controls Management for ICT Systems, Application, and Service, the systems access for Affiliates has been monitored such that if there is no active record and current active contract in MSRP HR, the Affiliate will have access to email and other systems removed. This creates an incentive for Affiliate Administrators to keep data current, and prevents negative impact to the Affiliate. This is resulting in improved data and a more reliable source of Affiliate workforce information.</p> <p>In addition, since Q2 2018, the DHR/Affiliate Workforce Unit exercises continuous data quality control by: a) providing direct data-entry support for countries where MSRP HR access could not be rolled out; b) providing regular data quality feedback and support for MSRP HR rolled-out operations; and c) counter-checking the MSRP HR data on Affiliates against data received from the ERP systems of Affiliate partners (e.g. UNOPS, UNV). As a result of these efforts, by September 2018 the gap</p>

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						between the number of active Affiliate personnel in MSRP HR and the estimated number of Affiliates working for UNHCR is reduced to about 9%, and this figure continues to decrease.
3	The UNHCR Division of Human Resources Management should strengthen oversight and monitoring to ensure that: (a) the auditor/auditee relationship records linked to the HR transaction audit process is kept updated; (b) the HR Transactions Audit Report provides complete and reliable information on all HR actions including historical transactions and data deletions; and (c) the accountabilities and responsibilities for processing of personnel actions at the headquarters and field are clarified.	Important	Yes	Chief of Section (PAPS)	Targeting all completion by Q2 2019.	<p>a) A mechanism will be developed to alert when an auditor/auditee (person) has changed job, position, or location, or status (ie. Active to Terminated or Leave) so that the appropriate name(s) can be promptly updated for continuity of the auditing process.</p> <p>b) The associated report process will be revised to take into account historical transactions, including those of an auditor or auditee who has moved on, or changed status. Data deletions will also be incorporated.</p> <p>c) Internal HRSS/PAPS communication will be strengthened to clarify field offices' and HQ roles and responsibilities related to the auditor/auditee process.</p>
4	The UNHCR Division of Human Resources Management should, where warranted, roll out the HR Module to all the Representations where the Module has not yet been implemented and take effective measures to speed up accurate and timely data recording.	Important	Yes	Chief of Section (PAPS)	Targeting implementation of measures by Q3 2019.	<p>- Already in place is an annual review by HRSS/PAPS whereby current non-rolled out offices are reviewed to determine if further granting of MSRP access can/should be done. Documentary evidence has been provided to the auditors.</p> <p>- Measures and procedures are planned to monitor delayed updates of job transactions into MSRP, followed by a mechanism to track any transactions crossing over an agreed/acceptable timeframe. This will be an ongoing</p>

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						mechanism so as to keep information as current as possible.
5	The UNHCR Division of Human Resources Management should implement an action plan to address control shortcomings in the staff separation process and to handle the large pendency of separation cases in the MSRP HR Module.	Important	Yes	Chief of Section (PAPS)	Targeting completion of P35 training and roll-outs by Q2 2019. Targeting update of pre-2017 records by Q4 2019.	- The MSRP online P35 process originally went live with only HRSS having central access. A lack of resources to keep P35 data updated for all operations led to incomplete tracking in MSRP. -In 2018 DHR has been developing various trainings for this online process (web-based, VC, in-class) to support field roll-out of this functionality. The first training was held in Sept for Greece; they now have P35 module access and will do their own updates. - While access is not yet fully rolled out, DHR/HRSS is responsible for P35 data updates. Currently all records related to 2017 and 2018 are up-to-date. Until all roll-outs are completed HRSS will continue that responsibility, on a monthly basis in line with the monthly payroll process, to keep the system updated. For older records with Termination dates prior to 2017, an exercise will be carried out to clean up the 'Pending P35' records.