



INTERNAL AUDIT DIVISION

REPORT 2020/006

Audit of the United Nations Register of Damage

Governance and control processes were generally satisfactory but a few aspects relating to claims review, mandatory training and guidance on use of emails need to be strengthened

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Audit of the United Nations Register of Damage

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Register of Damage (UNRoD). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the effective management of UNRoD operations. The audit covered the period from 1 January 2017 to 31 October 2019 and included a review of risk areas relating to: (a) strategic planning and programme management; and (b) arrangements for provision of administrative services in accordance with established regulations and rules.

Controls relating to strategic planning and programme management and the arrangements for provision of administrative services were generally satisfactory. However, a few aspects relating to claims review, mandatory training and guidance on use of emails needed to be strengthened.

OIOS made three recommendations. To address the issues identified in the audit, UNRoD needed to:

- Strengthen follow up actions on claims with pending information including setting appropriate deadlines for following up on the additional information and clarifications required;
- Establish a mechanism to regularly monitor the completion of mandatory training by its staff and ensure that all the mandatory training is completed without further delay; and
- Ensure that staff are sensitized on the need to avoid using emails to share sensitive information and to encrypt any sensitive information shared through emails.

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

CONTENTS

I. BACKGROUND	1
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	1-2
III. AUDIT RESULTS	2-6
A. Strategic planning and programme management	2-4
B. Regulatory framework	4-6
IV. ACKNOWLEDGEMENT	6
ANNEX I	Status of audit recommendations
APPENDIX I	Management response

Audit of the United Nations Register of Damage

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Register of Damage (UNRoD).

2. UNRoD was established in January 2007 pursuant to General Assembly resolution ES-10/17. It is mandated to serve as a record, in documentary form, of the damage caused to all natural and legal persons concerned as a result of the construction of the Wall in the Occupied Palestinian Territory (OPT), including in and around East Jerusalem. UNRoD consists of three Board members appointed by the Secretary-General in their personal capacity and a small secretariat composed of an Executive Director at the D-2 level and 18 substantive, administrative and technical support staff. The UNRoD secretariat consisted of four units: (a) Community Outreach; (b) Claim Processing; (c) Information Technology; and (d) Administration. The secretariat is based in Vienna with a field presence in OPT. The project team based in Ramallah consisted of one National Professional Officer and two General Service staff who reported to the Executive Director.

3. The Board has the overall responsibility for the establishment and maintenance of the Register of Damage and the ultimate authority in determining the inclusion of damage claims in the Register, on the recommendation of the Executive Director. The secretariat provides substantive, technical and administrative support for the establishment and maintenance of the Register. Its functions include: (a) administering a public awareness and outreach programme to explain the purpose of the Register of Damage and provide guidance to claimants on how to fill out and submit the claim forms; (b) receiving and processing all damage claims; (c) submitting all processed damage claims to the Board for review; and (d) aggregating and maintaining the records of damage claims approved by the Board. UNRoD signed a Memorandum of Understanding (MOU) with a United Nations agency (“Agency A”) in October 2008 for provision of logistical support for the outreach programme and claim intake activities.

4. As of 31 December 2019, UNRoD had received 71,017 claims of which 38,248 claims were processed and reviewed by the Board. The UNRoD budget for the 2018-2019 biennium was \$6 million of which \$5.5 million was funded by the regular budget and \$500,000 by extrabudgetary resources. For the 2016-2017 biennium, the budget was \$7.5 million of which \$5.3 million was funded by the regular budget and \$2.2 million by extrabudgetary resources which were donations made to the Trust Fund that was established to support claim intake and outreach activities and were utilized to support the activities in OPT. A total of \$8.5 million had been donated to the Trust Fund since it was established.

5. Comments provided by UNRoD are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

6. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the effective management of UNRoD operations.

7. This audit was included in the 2019 risk-based work plan of OIOS due to the potential risks associated with the implementation of its mandate. Also, UNRoD had never been audited previously by OIOS since its inception.

8. OIOS conducted this audit from November 2019 to January 2020. The audit covered the period from 1 January 2017 to 31 October 2019. Based on an activity-level risk assessment, the audit covered risk

areas relating to: (a) strategic planning and programme management; and (b) arrangements for provision of administrative services in accordance with established regulations and rules.

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

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

III. AUDIT RESULTS

A. Strategic planning and programme management

Planning and monitoring activities were conducted in accordance with established guidelines

11. The Secretary-General's bulletin ST/SGB/2018/3 requires all programmes to prepare a strategic framework, define expected accomplishments and performance targets, and prepare work plans for monitoring and reporting. UNRoD had prepared a strategic framework which was included in the programme budget for 2018-2019 and the proposed programme budget for 2020. In addition, UNRoD prepared annual work plans addressing claim intake and claims processing activities and other management/administrative issues. The strategic framework and work plans had appropriate performance targets addressing core activities which were monitored through budget performance reports. UNRoD expected that by the end of 2019, it will have largely completed the claims intake work in all the 271 communities affected by damage due to the construction of the Wall. UNRoD established annual donor funding targets of \$250,000 for 2019 and 2020 to support field operations of which \$225,000 had been received as of November 2019. Regarding claim processing, as of 31 December 2019, there was still a backlog of 32,769 claims received but unprocessed and UNRoD's main goal was to reduce this gap. UNRoD had established a target of 4,000 claims to be processed each year. At this rate, the unprocessed claims would be finalized in the next eight years. The target of 4,000 was in line with past performance (an average of 3,973 claims had been included in the Register of Damage in the last three years). UNRoD indicated that this target will be monitored and may need to be reduced depending on the complexity of the remaining claims.

Arrangements were in place for the Board to review claims and oversee the Register of Damage

12. As required by its terms of reference, the Board had established rules and regulations governing the processing of claims and held four meetings of one-week duration each year to determine whether claims processed should be included in the Register of Damage. Prior to the submission of any claim to the Board for decision, the Claims Processing Unit, with the support of the Information Technology Unit, ran several searches to identify any duplicate claims to prevent recommending the same claim more than once. For each Board meeting, the Executive Director submitted a binder which included a report that had a narrative section giving an overview of claim intake activities and claims processed, and matrixes detailing the list of claims and for each claim, the losses proposed to be included or excluded in the register and reasons for exclusion. A copy of the guidelines for claim review was also included in the binder. In addition, the Board members had access to the claims database.

13. OIOS reviewed documentation relating to the September 2018 and September 2019 Board meetings and noted that the Board reviewed approximately 10 per cent of the claims in detail as per established sampling practice. The review by the Board was a quality control check on whether UNRoD processed the claims in accordance with the approved eligibility criteria and the rules and regulations for

processing of claims. There was evidence of questions and queries raised by the Board which were answered by the Claims Processing Unit. UNRoD prepared a list to track the follow up action for any further information and documentation that needed to be requested from the claimants. After the Board's review, a Decision Note was drafted summarizing the total number of claims that the Board approved for inclusion or exclusion from the register with detailed supporting listings attached as annexes. The Board submitted annual progress reports to the General Assembly summarizing the claims approved in its meetings during the reporting period.

14. Based on the above, OIOS concluded that adequate arrangements were in place for the Board to perform its responsibility of overseeing the maintenance of the Register of Damage.

Need to strengthen follow up actions for claims with pending information

15. Each claimant is responsible for submitting documents to support the eligibility of their claim. Deficiencies in supporting documents, such as missing proof of inheritance or purchase date of a plot, were sometimes noted during the review of claims. UNRoD had developed an Excel spreadsheet for tracking and monitoring the outstanding information and rectification needed from claimants to complete the claims review effectively. As of 20 November 2019, 98 claims were sent back to the field for rectification of which 65 related to the period from 2012 and 2017 and had therefore been pending for two to seven years. UNRoD stated that to facilitate more timely resolution of claims with pending information, it had decided in December 2019 to assign certain tasks to the Community Outreach Unit which will be liaising directly with the team in OPT to expedite and facilitate the receipt of required information. OIOS is of the view that passage of time diminishes the possibility that the missing documents and information would be provided. Therefore, UNRoD needs to set timelines and deadlines for follow up actions beyond which the claim would be processed based on available documentation. This is essential to minimize inefficiencies associated with following up on long outstanding information.

(1) The United Nations Register of Damage should strengthen follow up actions on claims with pending information including setting appropriate deadlines for following up on the additional information and clarifications required.

UNRoD accepted recommendation 1 and stated that it was already working on its implementation and had reduced the number of claims with pending information. Recommendation 1 remains open pending receipt of evidence that follow up actions on pending information from claimants have been strengthened and deadlines for receipt of the pending information have been established.

Coordination internally and with other United Nations entities was satisfactory

16. The MOU with Agency A clearly specified the type of services to be provided, performance indicators and payment modalities. The MOU also clearly addressed the division of roles and responsibilities between the parties. OIOS reviewed the roles of the two parties and noted that they were carried out as stipulated in the MOU. For instance, UNRoD provided the required operational guidance, training and daily assistance for the claims intake process, while Agency A recruited and managed the employment contracts of the claims intake personnel, their payroll, and security. Agency A was required to submit expenditure reports every three months and an end-of-year account. OIOS reviewed a sample of reports and noted that they included detailed list of expenditures and were certified by Agency A's senior management in the field.

17. There was also evidence of coordination with other United Nations organizations. For example, the Office for the Coordination of Humanitarian Affairs supported UNRoD in the field by providing the map which served as a tool for UNRoD in its assessment of claims intake and processing activities. Further,

the Department of Political and Peacebuilding Affairs considered the implementation of UNRoD's programme as important and had provided UNRoD with approximately \$1.3 million of extrabudgetary contribution since 2016. The Under-Secretary-General for the Department of Political and Peacebuilding Affairs (who is the UNRoD Executive Director's first reporting officer) and other senior officials supported and advised UNRoD on all aspects of the implementation of its mandate.

18. Internal coordination arrangements between headquarters and the field were also working satisfactorily. OIOS established that there were daily teleconferences between the claims intake personnel and the Executive Director to discuss issues related to their activities. Information on the number of claims collected was reported daily to the Executive Director and other units at headquarters. For each community visit in the field, the Public Information Officer at headquarters prepared a briefing paper on how to reach out to claimants, the sorts of damage to be expected in the communities, and how the Wall had affected the communities.

UNRoD had a gender focal point and a work plan which included gender-related objectives

19. UNRoD had appointed a gender focal point in September 2016 as required by the Secretary-General's bulletin ST/SGB/2008/12 on "Departmental focal points for women in the Secretariat". UNRoD integrated gender perspectives in its activities, deliverables and results, as appropriate. For example, in the course of the outreach campaign, all female mayors and chairs of local councils were invited to UNRoD's training events. In addition, consultations were held with local women's committees in all communities in which outreach and claim intake activities took place. Further, the gender focal point ensured that a woman focal point was invited to UNRoD's staff recruitment panel. UNRoD had achieved a 50/50 gender parity in staff in the professional category and above.

B. Regulatory framework

Arrangements for administrative actions were satisfactory

20. The United Nations Office at Vienna (UNOV) was designated as the administrative service provider for UNRoD in General Assembly resolution ES-10/17 that set up UNRoD. UNOV was responsible for processing administrative actions in accordance with established procedures. OIOS reviewed three recruitment cases during the period under review and established that UNOV provided oversight in ensuring that they were done in accordance with established procedures. Further, in coordination with UNRoD, the UNOV Human Resources Management Section ensured that Board members had signed confidentiality agreements which was necessary due to the sensitivity of the claims information they handled. OIOS also reviewed a sample of 23 travel requests and noted that travel plans were prepared; the purpose of travel was consistent with UNRoD activities; and the travel requests were initiated in a timely manner within the 16-day advance ticketing requirement. UNOV processed the travel requests in accordance with the administrative instruction on travel. Regarding procurement, UNRoD procured low value routine items such as Information Technology related supplies, subscriptions and printing services whereas UNOV was responsible for procuring items above \$10,000. OIOS analyzed the low value procurement actions below \$10,000 undertaken by UNRoD and did not notice any exceptions. Regarding asset management, UNOV performed annual physical verification of UNRoD assets to ensure that all its property items were correctly accounted for. UNRoD had a focal point for inventory management who liaised with UNOV to follow up on any discrepancy noted during the physical verification. Based on the above, OIOS concluded that the administrative arrangements in place for UNRoD's operations were operating satisfactorily.

Need to ensure that staff complete the prescribed mandatory training

21. The United Nations Secretariat provides several learning programmes that are mandatory for all staff to ensure familiarity with key behavioural standards, regulations, rules and processes. In the programme budget for 2018-2019, UNRoD committed that it would monitor staff compliance with mandatory training. However, UNRoD could not provide the completion rates for mandatory training as of October 2019. OIOS noted that UNRoD had no mechanism for tracking the completion of mandatory training and did not have access to the mandatory training completion statistics in the system used for training (i.e., Inspira). As a result, for example, there was no assurance that staff dealing with sensitive and confidential data had undertaken the required information security awareness training which is important given the level of confidential information handled by UNRoD staff.

(2) The United Nations Register of Damage should establish a mechanism to regularly monitor the completion of mandatory training by its staff and ensure that all the mandatory training is completed without further delay.

UNRoD accepted recommendation 2 and stated that the newly developed “management dashboards” allows UNRoD management to monitor the completion of mandatory trainings of its staff. UNRoD management also ensures that the completion of trainings is reflected in the individual workplans of UNRoD staff and thus is part of the performance evaluation process with the aim to complete any outstanding mandatory training as soon as possible. The implementation of this recommendation is already very advanced. Recommendation 2 remains open pending receipt of evidence that appropriate arrangements have been established to ensure the completion of mandatory training by UNRoD staff.

Need to safeguard sensitive information shared through emails

22. Physical and electronic access controls were in place. The claim intake form had an appropriate disclaimer notice which stated that the information collected via the claim forms will only be used for purposes for which it was collected, and that all measures will be taken to safeguard the confidentiality of the information provided by the claimant. Claims collected in the field were placed in sealed envelopes and sent to Vienna via diplomatic pouch. Procedures were in place for verifying the contents of the envelopes, scanning the claims to the claims database, and storing the hard copies in the archives. Access to UNRoD offices and its archives was limited to authorized staff and controlled by an electronic access system. The archives had a separate electronic access and fire suppression system. With regard to electronic records, the UNRoD Information Technology Unit was responsible for overseeing information and communications technology (ICT) security and access controls in coordination with UNOV. Access logs were regularly reviewed, and access rights were terminated when staff separated from UNRoD.

23. Guidelines issued by the Office of Information and Communications Technology on mobile devices require ICT services to monitor the technical and security related requirements and conditions for connecting different types of personal mobile phones to ICT resources. UNRoD indicated that it does not allow the use of USB drives and other removable electronic devices in its systems. Further, UNRoD systems do not permit information from the claims database to be saved to removable devices. However, UNRoD staff members used mobile phones to access emails and normally, once the account password is established in the mobile phone, it can be saved, and the email can be accessed without the need to enter the password again. Therefore, in cases where a mobile phone does not have password protection or has weak password protection, there is a risk of unauthorized access to the emails. UNRoD needs to sensitize its staff on the need to ensure that sensitive information is either not shared through emails or is encrypted.

- (3) The United Nations Register of Damage should ensure that staff are sensitized on the need to avoid using emails to share sensitive information and to encrypt any sensitive information shared through emails.**

UNRoD accepted recommendation 3 and stated that although no sensitive and confidential information is shared via email, UNRoD staff will be sensitized and reminded of the need to avoid sensitive information through emails. Recommendation 3 remains open pending receipt of evidence that UNRoD has issued instructions to staff on the need to encrypt any sensitive and confidential information shared through emails.

Business continuity and disaster recovery plans were adequate

24. Infrastructure and procedures for business continuity and disaster recovery were in place. All servers were hosted in the UNOV Information Technology Centre, where standard virtual machines were provisioned with replicated storage and backup. In addition, UNRoD had its own business continuity and disaster recovery arrangements. All UNRoD data was copied into backup tapes and delivered to a contracted vendor for permanent safe keeping in an offsite storage facility. Backups were done daily and weekly. Every six months, a tape from backed-up data was requested for test run. The data stored in UNOV servers and with the contracted vendor was encrypted to prevent unauthorized access.

IV. ACKNOWLEDGEMENT

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

(Signed) Eleanor T. Burns
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STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Register of Damage

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	The United Nations Register of Damage should strengthen follow up actions on claims with pending information including setting appropriate deadlines for following up on the additional information and clarifications required.	Important	O	Receipt of evidence that follow up actions on pending information from claimants have been strengthened and deadlines for receipt of the pending information have been established.	31 March 2021
2	The United Nations Register of Damage should establish a mechanism to regularly monitor the completion of mandatory training by its staff and ensure that all the mandatory training is completed without further delay.	Important	O	Receipt of evidence that appropriate arrangements have been established to ensure the completion of mandatory training by UNRoD staff.	30 June 2020
3	The United Nations Register of Damage should ensure that staff are sensitized on the need to avoid using emails to share sensitive information and to encrypt any sensitive information shared through emails.	Important	O	Receipt of evidence that UNRoD has issued instructions to staff on the need to encrypt any sensitive and confidential information shared through emails.	30 June 2020

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 Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁴ Date provided by UNRoD in response to recommendations.

APPENDIX I

Management Response

Management Response

Audit of the United Nations Register of Damage

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The United Nations Register of Damage should strengthen follow up actions on claims with pending information including setting appropriate deadlines for following up on the additional information and clarifications required.	Important	Yes	Senior Legal Officer Community Outreach Officer Team Leader, UNROD (oPt)	March 2021	This is a good and relevant recommendation and UNRoD management is already working on its implementation and has reduced the number of claims with pending information. The expected implementation date reflects the current COVID-19 situation, also in the field, and the necessity of cooperation with local authorities.
2	The United Nations Register of Damage should establish a mechanism to regularly monitor the completion of mandatory training by its staff and ensure that all the mandatory training is completed without further delay.	Important	Yes	Administrative Officer	June 2020	The newly UNHQ developed “management dashboards” allows UNRoD management now to monitor the completion of mandatory trainings of its staff. UNRoD Management also ensures that the completion of trainings is reflected in the individual workplans of UNRoD staff and thus is part of the performance evaluation process with the aim to complete any outstanding mandatory training as soon as possible. The implementation of this recommendation is already very advanced.

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 United Nations Register of Damage

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3	The United Nations Register of Damage should ensure that staff are sensitized on the need to avoid using emails to share sensitive information and to encrypt any sensitive information shared through emails.	Important	Yes	Information Systems Officer	June 2020	This is a relevant and important recommendation. Although no sensitive and confidential information is shared via email, UNRoD staff will be sensitized and reminded of the need to avoid sensitive information through emails.