Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2015/152

Audit of leave and attendance records in the African Union-United Nations Hybrid Operation in Darfur

Overall results relating to the effective management of leave and attendance records in the African Union-United Nations Hybrid Operation in Darfur were initially assessed as partially satisfactory. Implementation of two important recommendations remains in progress

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

1 December 2015
Assignment No. AP2015/634/11

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AUDIT REPORT

Audit of leave and attendance records in the African Union-United Nations Hybrid Operation in Darfur

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of leave and attendance records in the African Union-United Nations Hybrid Operation in Darfur (UNAMID).

2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.

3. The UNAMID Human Resource Section is headed by a Chief Human Resources Officer at the P-5 level and has 64 approved posts: 6 professional, 22 field service, 2 national professional officers, and 34 national general service staff. The 2014/15 budgeted staff cost for the Section was $4.28 million.

4. The Chief Human Resources Officer has the authority to approve nine types of leave: rest and recuperation, annual leave, uncertified sick leave, certified sick leave of up to 20 working days, official business leave, paternity leave, maternity leave, adoption and special leave without pay. As at 30 June 2015, there were 3,413 staff members administered by the Human Resource Section.

5. Comments provided by UNAMID are incorporated in italics.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of UNAMID governance, risk management and control processes in providing reasonable assurance regarding the **effective management of leave and attendance records in UNAMID.**

7. The audit was included in the 2015 risk-based work plan of OIOS because of operational and financial risks related to management of leave and attendance records.

8. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined the key control as the one that provides reasonable assurance that policies and procedures: (a) exist to guide the management and administration of staff leave and attendance; (b) are implemented consistently; and (c) ensure the reliability and integrity of financial and operational information.

9. The key control was assessed for the control objectives shown in Table 1. Certain control objectives shown in Table 1 as "Not assessed" were not relevant to the scope defined for this audit.

10. OIOS conducted this audit from June to October 2015. The audit covered the period from 1 April 2013 to 31 July 2015.

11. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key control in mitigating associated risks. Through interviews and analytical reviews, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

12.   The UNAMID governance, risk management and control processes examined were initially assessed as **partially satisfactory**[1] in providing reasonable assurance regarding the **effective management of leave and attendance records in UNAMID**. OIOS made two recommendations to address the issues identified. UNAMID dedicated resources to reconcile leave balances in the Field Support Suite (FSS) and Integrated Management Information System (IMIS). However, UNAMID needed to ensure: (a) staff uploaded the required supporting documents of their leave in FSS and human resources officers consistently validated leave based on the required supporting documents and the entitlements of staff; and (b) leave reports were promptly approved and annual leave balances were periodically analyzed and adjusted as appropriate.

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

Table 1: Assessment of key control

Business objective	Key control	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of leave and attendance records in UNAMID	Regulatory framework	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

Regulatory framework

Need for filing evidence of maternity, paternity, special, sick, rest and recuperation leave

14.   United Nations staff rules and administrative instructions provide for: (a) uncertified sick leave of up to 7 days and certified sick leave of up to 20 days during a 12-month cycle; (b) special leave with full pay when adopting a child; (c) up to 112 calendar days of maternity leave; and (d) paternity leave of up to 8 weeks. UNAMID information circulars allow UNAMID to purchase tickets for staff members going on rest and recuperation or to make lump sum payments. FSS, the system used in administering leave, requires staff to upload relevant supporting documents in the system or provide hard copies to time and attendance assistants. The UNAMID Human Resources Section is required to validate/authorize all types of leave based on the relevant supporting documents and entitlements.

15.   An analysis of the various leave types taken during the audit period indicated the following:

        (a)   A review of 2,350 approved uncertified sick leave and 784 certified sick leave records, and review of leave records of 36 staff that took uncertified sick leave and 40 staff that took certified sick leave more than three times in the leave cycle showed that 7 staff took an average

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[1] A rating of **"partially satisfactory"** means that important (but not critical or pervasive) deficiencies exist in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

three more days than the seven days allowed. There was no documentation for 32 certified sick leaves taken;

(b)   A review of 20 of 1,143 approved paternity leave requests were not adequately supported by birth certificates. In addition, three staff exceeded their paternity leave entitlements;

(c)   A review of 20 of 64 approved maternity leave requests indicated that 9 were not supported by medical certificates and one staff member exceeded her maternity leave entitlement;

(d)   There were no supporting documents for all eight adoption leave and nine special leave without pay; and

(e)   A review of 540 monthly time and attendance records of 250 staff members that received rest and recuperation lump sum payments in fiscal years 2013/14 and 2014/15 indicated that advance payments were not supported by relevant documents showing evidence of travel out of Sudan.

16.   The above resulted because the Human Resources Section did not implement adequate and effective monitoring control procedures to ensure that staff members uploaded the required supporting documents of their leave in FSS and human resources officers consistently validated/authorized leave based on the required supporting documents and the entitlements of staff. As a result, there was an unmitigated risk of abuse of the Organization's leave policy, financial loss and reduced productivity.

> **(1) UNAMID should implement adequate and effective monitoring procedures to ensure that staff uploads the required supporting documents of their leave in the Field Support Suite and human resources officers consistently validate leave based on the required supporting documents and entitlements of staff.**
>
> *UNAMID accepted recommendation 1 and stated that the Human Resources Section continually and consistently validated leaves based on supporting documents and staff entitlements.* Recommendation 1 remains open pending receipt of evidence that UNAMID has rectified the discrepancies noted by OIOS and implemented effective monitoring procedures over staff leave.

Need for improved management of annual leave

17.   United Nations staff rules require UNAMID to approve leave days earned by staff members and allow approval of advance leave up to 10 working days, based on adequate justification and provided the staff member will remain in the Organization to earn sufficient leave days to cover the advance. Administrative instructions on recording of attendance and leave and abandonment of post require: (a) supervisors to promptly advise the Human Resources Section about unexplained absences of staff not later than the end of the fourth day of such absence; and (b) the Human Resources Section to contact the staff member in writing within a specified period, and if appropriate subsequently recommend separation of the staff to the Assistant Secretary-General of the Department of Management. UNAMID is required to withhold payments related to negative leave balances beyond 10 days from concerned staff members' salaries.

18.   Analyses of 3,961 records of completed annual leave in FSS, and a review of leave records for 52 staff members that had negative leave balances indicated that UNAMID did not maintain justification of the exceptional circumstances that resulted in all 52 staff members having negative leave balances. Six of the 52 staff members had also negative annual leave balances averaging 30 days, with one staff having up to 111 days of negative leave balance. There was no evidence that supervisors of the staff advised the

Human Resources Section about the unexplained absences nor was there any evidence that the Section contacted the staff member in writing or withheld payments related to negative leave balances beyond 10 days from the concerned staff members' salaries. Additionally, the analysis indicated that 698 leave reports were pending the approval of the staff members' supervisors and personnel officers; therefore, the staff members' leave cards had not been updated to reflect the leave taken. These included 160 reports that had been pending between 100 and 200 days.

19. The above resulted because the Human Resources Section did not implement adequate and effective procedures to make sure leave reports were promptly approved and annual leave balances were periodically analyzed and adjusted as appropriate. As a result, there was risk of abuse of the Organization's leave policy and financial loss.

> **(2) UNAMID should implement adequate and effective procedures to make sure leave reports are promptly approved and annual leave balances are periodically analyzed and adjusted as appropriate.**
>
> *UNAMID accepted recommendation 2 and stated that monitoring procedures were in place, and leave was consistently monitored, evaluated and staff members' leave records adjusted. UNAMID indicated that it did not approve staff members' leave requests until they completed their leave reports with all required attachments in FSS.* Recommendation 2 remains open pending receipt of evidence that UNAMID has: (a) implemented procedures to follow up on leave reports that are not approved and periodically analyze and adjust annual leave balances; and (b) taken appropriate action on the cases identified by OIOS during the audit.

UNAMID dedicated resources to reconcile leave balances in the Field Support Suite and Integrated Management Information System

20. The UNAMID Human Resources Section is required to promptly and accurately update IMIS with regard to leave taken by staff members and initially recorded in FSS.

21. Comparison of the leave balances in IMIS and FSS for 22 of 987 staff indicated that: (a) in 21 cases, the balance in IMIS did not tally with the balances in FSS; and (b) in 7 other cases, UNAMID did not update IMIS for leave reported in FSS. The Mission dedicated resources to reconcile leave balances in FSS and IMIS and stated that, since leave balances were constantly evolving, the reconciliation process would continue until the correct balances were reflected in Umoja. Based on the action already being taken, OIOS did not make a recommendation.

IV.   ACKNOWLEDGEMENT

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

(*Signed*) David Kanja
Assistant Secretary-General, Acting Head
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of leave and attendance records in the African Union-United Nations Hybrid Operation in Darfur

Recom. no.	Recommendation	Critical[1]/ Important[2]	C/ O[3]	Actions needed to close recommendation	Implementation date[4]
1	UNAMID should implement adequate and effective monitoring procedures to ensure that staff uploads the required supporting documents of their leave in the Field Support Suite and human resources officers consistently validate leave based on the required supporting documents and entitlements of staff.	Important	O	Receipt of evidence that UNAMID has: (a) implemented procedures to follow up on leave reports that are not approved and periodically analyze and adjust annual leave balances; and (b) taken appropriate action on the cases identified by OIOS during the audit.	November 2015
2	UNAMID should implement adequate and effective procedures to make sure leave reports are promptly approved and annual leave balances are periodically analyzed and adjusted as appropriate.	Important	O	Receipt of evidence that UNAMID has implemented procedures to follow up unapproved leave reports and periodically analyze and adjust annual leave balances. OIOS will also follow up the identified cases to ensure appropriate action.	November 2015

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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 UNAMID in response to recommendations.

APPENDIX I

Management Response

Management Response

Audit of leave and attendance records in the African Union-United Nations Hybrid Operation in Darfur

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNAMID should implement adequate and effective monitoring control procedures to ensure that staff members to upload the required supporting documents of their leave in the Field Support Suite and human resources officer consistently validate leave based on the required supporting documents and the entitlements of the staff members.	Important	Yes	Human Resources Officer	10 Nov 2015	This recommendation has been implemented. During a meeting between the Resident Auditor and HR meeting, it was demonstrated that all supporting documents were uploaded in FSS. It was acknowledged that the reason for the observation was the Auditor not able to see the documents in the system and this could have been attributed to lack of appropriate access to FSS. It should be noted that there are type of leaves such as sick leave for which documents especially medical reports cannot not be uploaded in FSS due to the confidential nature of the documents. . Human Resources Section continually and consistently validate leaves base on the supporting documents and the entitlements of the staff members. UNAMID requests that this recommendation is duly closed.
2	UNAMID should implement adequate and effective procedures to make sure leave reports are promptly approved and annual	Important	Yes	Human Resources Officer	30 November 2015	Adequate mechanism and procedures are in place to ensure that leave requests are approved promptly and that includes pending leave reports.

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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.

Management Response

Audit of leave and attendance records in the African Union-United Nations Hybrid Operation in Darfur

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	leave balances are periodically analyzed and adjusted as appropriate.					Managers are frequently informed to approve leave requests of their staff through emails and broadcast. FSS also has in built system which reminds managers of pending action in FSS. Staff members whose leave reports are not completed are not allowed to apply for leave until pending leave report is completed. Annual leave balances are frequently analyzed and where there are discrepancies, corrective actions are taken immediately or during the periodic clean-up exercise.