OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2016/015

Audit of recruitment and use of short-term staff in the Security and Safety Service at the United Nations Office at Geneva

Overall results relating to the recruitment and use of short-term staff were initially assessed as partially satisfactory. Implementation of five important recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

14 March 2016
Assignment No. AE2015/310/02

CONTENTS

AUDIT REPORT

Audit of recruitment and use of short-term staff in the Security and Safety Service at the United Nations Office at Geneva

I.   BACKGROUND

1.   The Office of Internal Oversight Services (OIOS) conducted an audit of recruitment and use of short-term staff in the Security and Safety Service at the United Nations Office at Geneva (UNOG).

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 Security and Safety Service at UNOG (UNOG SSS) regularly recruits short-term (temporary) staff when its regular staff are on leave or have been assigned to provide security services to conferences, events or special missions outside of Geneva. Since 2012, UNOG SSS has been establishing annual rosters of temporary security officers and clerks at the G-2 level to have a reliable availability of candidates to recruit from when needed. Table 1 summarizes the number of G-2 rostered candidates and total number of days for which they were hired during the period January 2013 to August 2015.

Table 1: Temporary hiring of G-2 staff during January 2013 to August 2015

Year	Candidates in roster	Number of days hired
2013	27	4,521
2014	33	4,226
2015 (up to August)	43	4,798
Total		**13,545**

4.   In addition to the G-2 staff, during the period January 2014 to June 2015, UNOG SSS recruited eight other temporary staff: one in the professional category and seven general service staff at G-3 to G-7 level.

5.   UNOG SSS was headed by a chief at the P-5 level, who was supported by three professional and 185 general service staff. Forty-three general service posts were funded by extra budgetary resources while the remaining posts were funded by regular budget resources.

6.   Comments provided by UNOG are incorporated in *italics*.

II.   OBJECTIVE AND SCOPE

7.   The audit was conducted to assess the adequacy and effectiveness of UNOG governance, risk management and control processes in providing reasonable assurance regarding the **effective recruitment and use of short-term staff in UNOG SSS**.

8.   The audit was included in the 2015 internal audit work plan for UNOG because of the risk that failure to adequately plan and manage the recruitment and use of temporary staff could affect the effectiveness of UNOG SSS operations.

9.   The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined regulatory framework as controls that provide reasonable assurance that policies and procedures: (i) exist to guide the activities of UNOG in the areas of recruitment and use of temporary staff; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.

10.   The key control was assessed for the control objectives shown in Table 2.

11.   OIOS conducted this audit from August to December 2015. The audit covered the period from January 2014 to August 2015.

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

III.   AUDIT RESULTS

13.   The UNOG governance, risk management and control processes examined were initially assessed as **partially satisfactory[1]** in providing reasonable assurance regarding the **effective recruitment and use of short-term staff in UNOG SSS**. OIOS made five recommendations to address issues identified in the audit.

14.   Regulatory framework was assessed as partially satisfactory because there was a need to: (a) strengthen the process of planning for temporary staffing needs in order to reduce the number of temporary contracts issued and optimize efficiency in managing them; (b) fill vacant posts in a timely manner and reduce the use of vacant posts to recruit temporary staff; (c) ensure that UNOG SSS was appropriately reimbursed for the cost of security services provided outside its core mandate; (d) improve the arrangements for conducting background checks on temporary staff; and (e) evaluate performance of temporary staff regularly as required.

15.   The initial overall rating was based on an assessment of the key control presented in Table 2 below.   The final overall rating is **partially satisfactory** as implementation of five important recommendations remains in progress.

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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.

Table 2: 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 recruitment and use of short term staff in UNOG SSS	Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

Regulatory framework

A.   Workforce planning

Need to minimize reliance on temporary staff for regular or recurring workforce needs

16.   ST/AI/2010/4 Rev.1 on "Administration of temporary appointments" states that: (i) temporary appointments shall not be used to fill needs that are expected to last for one year or more; and (ii) temporary staff should not be employed for over 364 days.

17.   UNOG SSS relied heavily on temporary staff for approximately 30 per cent of its workforce needs, which showed that it may not have an appropriate level of regular staff. Although none of the temporary staff had been recruited for over 364 days, some of the temporary staff were used repeatedly almost like regular staff, as evidenced by the fact that at least 16 of the 43 rostered temporary staff were making pension contributions. After serving for a cumulative period of 364 days, the temporary staff took the mandatory break of three months and separated from the pension fund and then re-joined after working for another six months. UNOG SSS indicated that the level of temporary staff had increased since 2012 because 11 of its regular budget posts were abolished as part of budget cuts ordered by the General Assembly.

18.   High reliance on temporary security staff could affect the effectiveness of the security services because temporary staff are not armed and do not receive the same level of training as regular staff. Using temporary staff repeatedly like regular staff was also inconsistent with the administrative instruction on use of temporary staff and could be seen as unfair since the service conditions for temporary staff are inferior to those of regular staff.

19.   OIOS is of the view that adopting a shift system, as recommended in its report on the audit of time and attendance at UNOG issued in 2015 (AE2014/311/01), could reduce the level of temporary staff needs since there would be opportunity to address some of the temporary staffing needs through more flexible planning and overtime. Since UNOG is in the process of implementing the previous OIOS recommendation, no further action is proposed in the present report. Also, some of the recommendations made later in the present report could provide additional opportunities to reduce reliance on temporary staff.

Need to strengthen the planning process for temporary staffing needs

20.   UNOG SSS had put in place a mechanism whereby it received monthly requests for temporary staffing needs and matched them against available staff in the roster. However, the planning process focused on addressing the replacement of staff for specific absences or temporary staff needs such as conferences and missions. There was no holistic review or assessment to determine whether temporary staff could be issued with longer contracts to cover several foreseen temporary staff needs in order to optimize efficiency. Further, some of the conferences for which UNOG SSS provided security services (such as the Universal Periodic Review) were cyclical and budgeted for in advance but the potential to establish regular posts of at least one year to address such recurring temporary staff needs was not assessed.

21.   As a result, UNOG SSS issued a high number of contracts of short durations, which were administratively inefficient to manage. From January to August 2015, UNOG SSS issued a total of 800 temporary staff contracts. Thirty-two per cent of the contracts were issued for periods between one and five days and 27 per cent were issued for periods between 6 and 15 days. Overall, 89 per cent of the contracts were of duration of less than one month. There were several administrative actions involved in managing each temporary contract irrespective of its duration. For each contract, personnel actions for recruitment, separation or change in status had to be prepared. Managing the contracts also included the administration of medical clearance, annual and sick leave, pension contributions, payroll, resident permit requests, monitoring the number of days worked to ensure they do not exceed the 364 days limit, and evaluating performance. One of the administrative assistants at UNOG SSS indicated that she spends at least 70 per cent of her time creating and requesting approvals for personnel actions.

> **(1) UNOG SSS should strengthen the process of planning for temporary staffing needs to include assessing and identifying opportunities to issue temporary contracts of longer duration to address multiple temporary staff needs.**
>
> *UNOG accepted recommendation 1.* Recommendation 1 remains open pending receipt of evidence that the planning process for temporary staffing needs has been strengthened to include assessing and identifying opportunities to issue contracts of longer duration.

Need to fill vacant posts in a timely manner and reduce the use of vacant posts to recruit temporary staff

22.   The Department of Management prohibits the use of regular budget posts to recruit temporary staff. This restriction does not apply to posts funded by extra budgetary sources. Temporary staff can therefore be used to fill a vacant post using extra budgetary funds pending the finalization of the regular selection process.

23.   UNOG SSS had 16 vacant posts as at the end of June 2015, which was a vacancy rate of eight per cent. Twelve of the regular budget posts were vacant beyond the targeted recruitment timeline of 120 days, with vacant days ranging from 121 to 437 days. UNOG SSS used 3 of the 12 posts to recruit temporary G-2 staff indirectly. UNOG SSS did this by moving staff funded by extra budgetary funds to the vacant regular budget posts and then using the extra budgetary posts to recruit temporary G-2 staff. This led to an increased use of temporary staff. From January to August 2015, contracts for 2,359 days (49 per cent of total contract days) were issued to temporary staff because of vacant posts.

24.   UNOG SSS explained that there were delays in filling the 12 vacant G-3 and G-4 posts because it did not want to fill the posts immediately due to uncertainties regarding the staffing needs for security services it provided to buildings outside the Palais des Nations (i.e., the annex buildings). This was

because some of the organizations with offices in the annex buildings were considering alternative security options and there was a risk that they may not require UNOG SSS services. Secondly, UNOG SSS planned to establish rosters for G-3 and G-4 candidates and there were delays in getting guidance from the UNOG Human Resources Management Service (HRMS). Both issues had been resolved at the time of the audit and therefore recruitment could be initiated. It is essential that recruitment for all vacant posts is done in a timely manner to limit the use of temporary staff against the vacant posts for long durations.

> **(2) UNOG SSS should ensure that vacant posts are filled within the targeted recruitment timelines in order to reduce the use of vacant posts to recruit temporary staff.**
>
> *UNOG accepted recommendation 2.* Recommendation 2 remains open pending receipt of evidence that action has been taken to initiate and complete the recruitment of all existing vacant posts in a timely manner.

B.   Funding

Need to ensure that UNOG SSS was appropriately reimbursed for cost of security services provided outside its core mandate

25.   UNOG SSS is reimbursed for the security and safety services it provides to clients for conferences, special meetings and other events within and outside of Geneva. OIOS reviewed a sample of billing procedures relating to 10 events in Geneva and 6 out of 12 missions/events outside Geneva for the period 2014-2015. For events in Geneva, UNOG SSS was appropriately reimbursed based on actual costs of the security staff assigned to these events. Initial estimates were prepared and approved by the clients and billing was done subsequently, based on actual salary costs of staff assigned to the events and conferences.

26.   For events or missions outside of Geneva, UNOG SSS was reimbursed based on replacement costs. In OIOS' opinion, the use of replacement costs did not appropriately compensate UNOG SSS for the costs associated with the security services provided to these events or missions. This was because the replacement costs were at G-2 salary level whereas the staff assigned to these events or missions were G-3 to G-6 staff. In addition, the number of staff members assigned to missions were not always fully replaced since in some cases UNOG SSS was able to address the absences through existing staff. For example, for the six missions and events outside Geneva reviewed by OIOS, there was a difference of three between the number of total staff sent on mission (39) and the actual number of temporary staff recruited to replace them (36). Use of actual costs or standard costs (based on actual salary rates) would be more appropriate and would provide UNOG SSS with increased revenue and more flexibility to plan the use of funds received to address its workforce needs more effectively.

27.   UNOG SSS indicated that from 2016, standard costs would be used as a basis for billing clients. OIOS reviewed the draft standard costs and noted that they were based on the average costs of G-3 to G-6 staff and incorporated all staff common costs. OIOS therefore concluded that the rates would appropriately compensate UNOG SSS for the cost of security services it provided to clients. The use of standard costs could also be administratively efficient compared to the current practice where actual salary costs of the security officers used for each event had to be determined. However, there was no documentary evidence of how the standard costs would be applied and no formal memorandum had been issued to clients informing them of the standard costs. Therefore, OIOS could not verify that the standard costs would be applied to both events in Geneva and outside of Geneva.

> **(3) UNOG SSS should ensure that it is appropriately reimbursed for the cost of all security services provided outside its core mandate.**
>
> *UNOG accepted recommendation 3.* Recommendation 3 remains open pending the receipt of evidence that UNOG SSS is using standard costs as a basis for billing its clients for all security services provided outside its core mandate.

C.   Recruitment

Adequate arrangements were in place for recruitment of temporary staff

28.   The establishment of a roster of temporary staff was a good practice that ensured efficient and timely recruitment of temporary staff. UNOG SSS had established procedures for the recruitment of G-2 temporary staff through rosters. OIOS reviewed the recruitment for the years 2014 and 2015 to assess the adequacy of the existing procedures and practices in ensuring the recruitment was competitive and suitable candidates were placed in the roster. The temporary vacancy announcements were posted in the intranet and UNOG SSS indicated that it also informally distributed the vacancy announcements to relevant offices of the Host Country. The arrangements for conducting written tests were also satisfactory. In addition, OIOS verified that the recruitment of other temporary staff (other than G-2 staff) was done in accordance to established procedures.

Need to improve the arrangements for background checks on temporary staff

29.   It is essential that medical, background and reference checks for staff are carried out to avoid the risk of recruiting incompetent or unsuitable candidates. The United Nations Security Risk Assessment recognizes the need to undertake background checks and states that background checks should be done for all temporary employees, interns, consultants and external service providers, prior to accreditation in order to reduce the likelihood of criminal threats.

30.   Rostered candidates went through medical clearance by the UNOG Medical Services as required. With regard to reference and background checks, UNOG SSS asked candidates to submit original copies of their diplomas/degrees when they attended the interviews or before they were placed in the roster. UNOG SSS also requested the candidates to submit a certificate of clean criminal record. OIOS verification showed that the required certificates were submitted for the 38 candidates in the G-2 roster of 2015.

31.   However, UNOG SSS did not request the criminal records from G-2 candidates who were included in the roster of identification clerks. In addition, other than the information provided by the candidates, no further background or reference checks were done by UNOG SSS or HRMS for the security officers or the identification clerks. UNOG SSS indicated that this was because it did not have the resources to do additional background checks on all the new recruits.

32.   In view of the ongoing security threats, relying solely on the information provided by candidates may not be sufficient to mitigate the risks of recruiting staff with an inappropriate background. OIOS is of the view that the level of additional background checks should be based on a balance between assessment of risks and costs. Opportunities to outsource this function to external parties could be explored, and the costs associated with conducting the checks included in the standard costs for billing for temporary staff since they are direct costs related to use of temporary staff. As this is a policy decision, there is a need to involve the Department of Safety and Security (DSS) at Headquarters, New York.

> **(4) UNOG SSS should, in consultation with the Department of Safety and Security, strengthen the arrangements for conducting background checks on new temporary staff.**
>
> *UNOG accepted recommendation 4.* Recommendation 4 remains open pending the receipt of evidence that the arrangements for conducting background checks on new temporary staff have been strengthened.

D.   Management of temporary staff

Need to enforce compliance with the requirements for evaluating performance of temporary staff

33.   Effective and timely performance evaluation of temporary staff is essential in ensuring that deficiencies in performance are identified and addressed promptly. According to the administrative instruction on recruitment of temporary staff (ST/AI/2010/4/Rev.1), at the end of the temporary appointment, regardless of duration, the programme manager shall issue a performance evaluation on a standard performance evaluation form for staff members holding temporary appointments (Form P.333). The form should state what was expected of the staff member and whether the staff member and the supervisor discussed those expectations. Signed hard copies of the standard performance evaluation form shall be included in the official status file of the staff member concerned.

34.   UNOG SSS had established a practice of grouping together short contracts of less than two weeks and evaluating performance in batches of two weeks. Contracts of more than two weeks duration were evaluated individually. OIOS checked compliance with the established performance evaluation requirements and practices for a sample of 10 out of the 47 rostered candidates. For the period January 2014 to April 2015, the sampled candidates were issued with 160 contracts. Only 102 out of the 160 contracts had P-333 performance evaluations done as required. This deficiency was because there was no mechanism in place to enforce compliance, such as ensuring that new contracts are only issued after satisfactory evaluations have been documented.

> **(5) UNOG SSS should ensure that performance evaluations are prepared before initiating the issuance of new contracts to rostered candidates.**
>
> *UNOG accepted recommendation 5.* Recommendation 5 remains open pending receipt of evidence that a system has been established to ensure that performance evaluations are prepared before the issuance of new contracts to rostered candidates is initiated.

IV.   ACKNOWLEDGEMENT

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

(*Signed*) Eleanor T. Burns
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STATUS OF AUDIT RECOMMENDATIONS

Audit of recruitment and use of short-term staff in the Security and Safety Service at the United Nations Office at Geneva

Recom. no.	Recommendation	Critical[2]/ Important[3]	C/ O[4]	Actions needed to close recommendation	Implementation date[5]
1	UNOG SSS should strengthen the process of planning for temporary staffing needs to include assessing and identifying opportunities to issue temporary contracts of longer duration to address multiple temporary staff needs.	Important	O	Receipt of evidence that the planning process for temporary staffing needs has been strengthened to include assessing and identifying opportunities to issue contracts of longer duration.	31 December 2016
2	UNOG SSS should ensure that vacant posts are filled within the targeted recruitment timelines in order to reduce the use of vacant posts to recruit temporary staff.	Important	O	Receipt of evidence that action has been taken to initiate and complete the recruitment of all existing vacant posts in a timely manner.	31 December 2016
3	UNOG SSS should ensure that it is appropriately reimbursed for the cost of all security services provided outside its core mandate.	Important	O	Receipt of evidence that UNOG SSS is using standard costs as a basis for billing its clients for all security services provided outside its core mandate.	31 December 2016
4	UNOG SSS should, in consultation with the Department of Safety and Security, strengthen the arrangements for conducting background checks on new temporary staff.	Important	O	Receipt of evidence that the arrangements for conducting background checks on new temporary staff have been strengthened.	31 December 2016
5	UNOG SSS should ensure that performance evaluations are prepared before initiating the issuance of new contracts to rostered candidates.	Important	O	Receipt of evidence that a system has been established to ensure that performance evaluations are prepared before the issuance of new contracts to rostered candidates is initiated.	31 December 2016

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[2] 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.

[3] 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.

[4] C = closed, O = open

[5] Date provided by UNOG in response to recommendations.

APPENDIX I

Management Response

Management Response

Audit of recruitment and use of short-term staff in the Security and Safety Service at the United Nations Office at Geneva

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNOG SSS should strengthen the process of planning for temporary staffing needs to include assessing and identifying opportunities to: (i) issue temporary contracts of longer duration to address multiple temporary staff needs; and (ii) establish regular posts as appropriate to address workforce needs for recurring events and conferences.	Important	YES for (i) and No for (ii) as this is under authority of the GA	Chief a.i , Security and Safety Service, Geneva	31 Dec 2016	In regards to recommendation 1.(ii) ('establish regular posts as appropriate to address workforce needs for recurring events and conferences'), it should be noted that this is not actionable by SSS GVA as the establishment of new regular posts is not within its purview. SSS GVA may however - in the context of present and future analyses of staffing needs - submit its recommendations of the assessed adequate staffing levels to match operational needs.
2	UNOG SSS should ensure that vacant posts are filled within the targeted recruitment timelines in order to reduce the use of vacant posts to recruit temporary staff.	Important	YES	Chief a.i , Security and Safety Service, Geneva	31 Dec 2016	UNOG accepts this recommendation
3	UNOG SSS should ensure that it is appropriately reimbursed for the cost of all security services provided outside its core mandate.	Important	YES	Chief a.i , Security and Safety Service, Geneva	31 Dec 2016	UNOG accepts this recommendation
4	UNOG SSS should, in consultation with the Department of Safety and Security, strengthen the arrangements for conducting background checks on new temporary staff.	Important	YES	Chief a.i , Security and Safety Service, Geneva	31 Dec 2016	UNOG accepts this recommendation
5	UNOG SSS should ensure that performance evaluations are prepared before initiating the issuance of new contracts to rostered candidates.	Important	YES	Chief a.i , Security and Safety Service, Geneva	31 Dec 2016	UNOG accepts this recommendation

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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.