



INTERNAL AUDIT DIVISION

REPORT 2016/075

Audit of leave and attendance records in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Overall results relating to the effective management of leave and attendance records were initially assessed as partially satisfactory. Implementation of two important recommendations remains in progress

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

12 July 2016
Assignment No. AP 2015/641/07

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AUDIT REPORT

Audit of leave and attendance records in the United Nations Multidimensional Integrated Stabilization Mission in Mali

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of leave and attendance records in the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA).
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. In accordance with a service-level agreement with MINUSMA, the United Nations Operations in Cote d'Ivoire (UNOCI) Human Resource Section is responsible for processing and monitoring the leave for MINUSMA international staff. The MINUSMA Human Resource Section is responsible for processing and monitoring the leave for MINUSMA national staff. The MINUSMA Human Resource Section is headed by the Chief Human Resource Officer at the P-5 level, who reports to the Deputy Director of Mission Support, and is supported by 49 staff members. The Time and Attendance Unit in the UNOCI Human Resource Section consists of eight staff members. The MINUSMA authorized staffing table had 678 international staff and 781 national staff for fiscal year 2014/15, and 739 international staff and 802 national staff for fiscal year 2015/16.
4. Comments provided by MINUSMA are incorporated in italics.

II. OBJECTIVE AND SCOPE

5. The audit was conducted to assess the adequacy and effectiveness of MINUSMA governance, risk management and control processes in providing reasonable assurance regarding the **effective management of leave and attendance records in MINUSMA**.
6. 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.
7. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this key control as one that provides reasonable assurance that policies and procedures: (a) exist to guide the management of leave and attendance records; (b) are implemented consistently; and (c) ensure the reliability and integrity of financial and operational information.
8. The key control assessed for the control objectives is shown in Table 1.
9. OIOS conducted the audit from October 2015 to February 2016. The audit covered the period from 1 July 2013 to December 2015. OIOS conducted the audit in Bamako and UNOCI Headquarters in Abidjan.
10. 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

11. The MINUSMA 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 MINUSMA**. OIOS made four recommendations to address the issues identified. MINUSMA needed to: (a) implement effective monitoring and follow-up procedures to identify and appropriately address unauthorized absences of staff; (b) review all the rest and recuperation related lump-sum payments and air ticket purchases made prior to the implementation of Umoja to identify and recover all double payments; (c) establish and implement adequate and effective controls to accurately determine the number of days staff members were present in danger pay areas; and (d) review all danger allowances to identify and recover all double payments and/or overpayments.

12. 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 MINUSMA	Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

Regulatory framework

MINUSMA did not ensure timely completion of leave reports or ensure sufficient justification and evidence for availing all types of leave

13. The Field Support Suite (FSS) and the United Nations administrative instructions on recording of attendance and leaves require staff members returning from leave to promptly report their leaves and upload the relevant supporting documents in the FSS database for validation by MINUSMA time and attendance assistants in UNOCI back office.

14. A review of FSS database indicated that staff members did not promptly report their leave and consistently upload the relevant supporting documents in the FSS database. This prevented the Mission from updating the staff members' leave cards and accurately determining the staff members' eligibility for the leave. For instance: (a) there was an average delay of 222 days for staff to update FSS related to

¹ A rating of “**partially satisfactory**” means that important but not critical deficiencies exist in governance, risk management or internal control processes, such that reasonable assurance may be at risk with regard to the achievement of control or business objectives under review.

316 of 8,443 leaves completed; and (b) 130 of a sample of 418 (76 national and 342 international staff) leave reported by the staff did not have the relevant supporting documents such as boarding passes, passport and Movement of Personnel form with exit and entry stamps, the required medical certificates for sick leaves or birth certificates for paternity leaves.

15. The above resulted because of: (a) the lack of oversight of the human resources officers; and (b) the absence of guidelines on the responsibilities of staff members' supervisors who relied on the controls of the human resources officers. As a result, there was an unmitigated risk of irregularities and abuse of the United Nations leave policy.

16. While OIOS had initially recommended that MINUSMA implement adequate management oversight to ensure staff upload the required supporting documents in FSS and that leave cards of staff were promptly and accurately updated upon returning from leave, FSS has been replaced by Umoja. With the implementation of Umoja, leave requests and supporting documents for official and entitlement travels are being checked at different management levels. MINUSMA also confirmed that it had built the capacity of certifying officers and Travel Unit, Finance Section and Human Resources Section staff in reviewing and approving travel-related supporting documents. The Mission also indicated that Umoja generates staff members' monthly time attendance reports which should be certified by staff members. Based on the information provided and because FSS has been replaced by Umoja, no recommendation was made.

Need for adequate and effective control over unauthorized absences

17. The United Nations Staff Rules require staff members' supervisors to report any unexplained absences of their staff members to Human Resource Section no later than the end of the fourth day of such absence to enable the Mission to take appropriate administrative measures.

18. A review of leave reports and related supporting documents and leave cards for 418 of 8,443 leave records in FSS indicated that 205 working days were not reported in the staff members' leave cards even though the relevant supporting documents such as boarding passes and Movement of Personnel forms showed that the staff were absent from the Mission beyond the authorized leave periods. The 205 days included 150 days taken by 47 staff members in excess of their approved leaves; and 55 days taken by 9 staff members beyond the maximum 16 weeks for maternity leave or 8 weeks for paternity leave.

19. The above resulted because the staff members' supervisors and human resources officers did not implement adequate and effective monitoring and follow-up procedures to identify and appropriately address unauthorized absences from work. As a result, there was an unmitigated risk of abuse of leave entitlements and reduced productivity.

(1) MINUSMA should implement effective monitoring and follow-up procedures to identify and appropriately address unauthorized absences of staff.

MINUSMA accepted recommendation 1 and stated that it had appointed leave monitors at the section level who had been trained to maintain an effective leave monitoring system. MINUSMA also stated that it had started to run quarterly time management reports to review the utilization of leave entitlements by staff and advise the concerned managers where required. Based on the action taken by MINUSMA, recommendation 1 has been closed.

Payment process for rest and recuperation leave needed improvement

20. A MINUSMA administrative instruction requires the Mission to purchase air ticket for staff members going on rest and recuperation leave in Dakar or provide a fixed lump-sum amount.

21. A reconciliation of 539 of 2,831 rest and recuperation leaves processed by MINUSMA since July 2013 indicated that in 98 cases, the Mission made lump-sum payments in addition to purchasing the air tickets for the staff members. This resulted in double payments totaling \$58,800 to the concerned staff. Subsequent to the audit, the Mission recovered 72 of the payments totaling \$43,200. However, it had not reconciled and reviewed all previous rest and recuperation related lump-sum payments to identify and recover double payments. The double payments occurred because of lack of controls to prevent UNOCI Human Resources Management Section from making lump-sum payments to staff that had already been issued tickets by MINUSMA Human Resources Section. With the implementation of Umoja in November 2015, the weaknesses in internal controls have been addressed. However, there is still the need for MINUSMA to recover all double payments made prior to the implementation of Umoja.

(2) MINUSMA should review all the rest and recuperation related lump-sum payments and air ticket purchases made prior to the implementation of Umoja to identify and recover all double payments.

MINUSMA accepted recommendation 2 and stated that it discovered in 2015 that lump-sum payments were made in 98 cases in addition to purchasing tickets, which resulted in double payments amounting to \$58,800 of which \$17,221 had been recovered. Recommendation 2 remains open pending receipt of evidence that MINUSMA has reviewed all the rest and recuperation related lump-sum payments and air ticket purchases beyond what was reviewed by OIOS to ensure that all cases of double payments are identified and recovered.

Processing of danger pay allowance needed improvement

22. MINUSMA Circular No. 003/2014 requires the Mission to pay danger allowance to international and national staff members in Timbuktu, Gao, Kidal, Tessalit and Mopti. A full danger pay would be paid for time the staff members spent away from the duty station on rest and recuperation travel and official duty travel up to a maximum of seven consecutive calendar days.

23. The reconciliation and review of the supporting documents related to 150 danger allowances totaling \$93,000 out of 6,319 danger allowances totaling \$3 million paid to staff members since the inception of the Mission in July 2013 indicated that the Mission overpaid 82 danger allowances totaling \$50,800. In the course of the audit, the Mission recovered 56 of the payments totaling \$34,000. However, MINUSMA had not initiated the process to identify and recover all double payments.

24. The above resulted because MINUSMA had not implemented effective controls to accurately determine the number of days staff members were present in Timbuktu, Gao, Kidal, Tessalit and Mopti prior to processing their danger allowances. As a result, there was an unmitigated risk of overpayment of the danger pay allowances and financial loss to the organization

(3) MINUSMA should establish and implement effective controls to accurately determine the number of days staff members are present in Timbuktu, Gao, Kidal, Tessalit and Mopti prior to processing their danger allowances.

MINUSMA accepted recommendation 3 and stated that, with the implementation of Umoja, the danger allowance for international staff was automatically paid to staff and subsequently adjusted

when required. MINUSMA also stated that it had started to run monthly time management reports, which would be reconciled with the staff members' movement of personnel forms and flight manifests. Based on the action taken by MINUSMA, recommendation 3 has been closed.

(4) MINUSMA should review all danger allowances to identify and recover all overpayments.

MINUSMA accepted recommendation 4 and stated that it would run monthly time management reports, which would be reconciled with the staff members' movement of personnel form and flight manifests. It would make recoveries where required. Recommendation 4 remains open pending receipt of evidence that MINUSMA has reviewed all danger allowances and identified and recovered overpayments.

IV. ACKNOWLEDGEMENT

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

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of leave and attendance records in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	MINUSMA should implement effective monitoring and follow-up procedures to identify and appropriately address unauthorized absences of staff.	Important	C	Action taken.	Implemented
2	MINUSMA should review all the rest and recuperation related lump-sum payments and air ticket purchases made prior to the implementation of Umoja to identify and recover all double payments.	Important	O	Receipt of evidence that MINUSMA has reviewed all the rest and recuperation-related lump-sum payments and air ticket purchases beyond what was reviewed by OIOS to ensure that all cases of double payments are identified and recovered..	31 December 2016
3	MINUSMA should establish and implement effective controls to accurately determine the number of days staff members are present in Timbuktu, Gao, Kidal, Tessalit and Mopti prior to processing their danger allowances.	Important	C	Action taken.	Implemented
4	MINUSMA should review all danger allowances to identify and recover all overpayments.	Important	O	Receipt of evidence that MINUSMA has reviewed all danger allowances and identified and recovered overpayments.	31 December 2016

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 MINUSMA in response to recommendations.

APPENDIX I



Management Response



FACSIMILE TRANSMISSION

Date: 13 June 2016

Reference: MINUSMA/ODMS/2016/341

TO: Mr. Bolton Tarleh Nyema Chief, Peacekeeping Audit Services Internal Audit Division, OIOS	FROM: Michael Mulinge Kitivi Director of Mission Support 
ATTN:	
FAX NO:	Email Transmission: Minusma-Mars@un.org
SUBJECT: Draft report on an audit of leave and attendance records in MINUSMA (Assignment No. AP2015/641/07)	
Total number of transmitted pages including this page: 4	
<ol style="list-style-type: none">1. Reference to your facsimile IAD-15- 641/07 dated 19 May 2016 on the subject matter.2. MINUSMA formulated its responses to all the recommendations that OIOS considered important contained in the report.3. We have taken note of the aforementioned areas and are determined to take the necessary actions to improve the efficiency and effectiveness of MINUSMA operations. Our comments on OIOS's recommendations are attached. <p>Thank you and best regards.</p>	
Drafted by: Mefin Akalu, AO 	

MANAGEMENT RESPONSE

Audit of leave and attendance records in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	MINUSMA should implement adequate management oversight to ensure staff upload the required supporting documents and leave cards of staff are promptly and accurately updated upon returning from leave, and certifying officers and the Travel Unit verify the accuracy and validity of the documentation provided.	Important	Yes	Travel Unit, Finance	Implemented	<p>Since the Umoja Roll-Out, leave requests and supporting documents for official and entitlement travels are checked at different respective management levels.</p> <p>In addition, MINUSMA has been carrying out capacity building efforts for Travel, Finance, and HR staff as well as the Certifying Officers to make sure that they are aware of the standard checklist when reviewing and approving supporting documents.</p> <p>Regarding leave reports, by the end of each month staff members receive system-generated monthly time statements for their certification. It is the staff member's responsibility to verify the accuracy of the monthly time statement. If adjustments are necessary, the staff member should advise the HR Section or initiate the necessary arrangement in the system. The Mission's human resources section</p>

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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 United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						has no other mechanism to adjust or verify the leave cards of staff members in Umoja. If there is a problem with the system, the recommendation should be addressed to Headquarters.
2	MINUSMA should implement effective monitoring and follow-up procedures to identify and appropriately address unauthorized absences of staff.	Important	Yes	Section Chiefs, Leave Monitors	Implemented	MINUSMA has designated several staff members as Leave Monitors in all support and substantive sections who have been trained to assist Section Chiefs in helping maintain an effective monitoring system at the section level. MINUSMA Human Resources has already started to run periodic time management reports every three months in order to review the utilization of leave entitlements by staff and advise the Managers where required. A recent report is attached
3	MINUSMA should review all the rest and recuperation related lump sum payments and air ticket purchases made prior to the implementation of Umoja to identify and recover all double payments.	Important	Yes	Unit Chief, Travel	31 Dec 2016	The MINUSMA Human Resources Section, following its discovery in 2015 that lump-sum payments were erroneously made in 98 cases, in addition to purchasing the ticket which resulted in double payments amounting to USD 58,800 in total, worked together with the back office in Abidjan to analyze these

MANAGEMENT RESPONSE

Audit of leave and attendance records in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>discrepancies and initiate recoveries.</p> <p>This has now been completed and according to ONUCI Finance Section \$17,221.00 related to 21 travels are so recovered. (the sample IOMs sent to the Chief Finance and Budget to recover costs are attached).</p> <p>It should be noted that with the implementation of Umoja, UE1, MINUSMA is confident that the system will not allow for any recurrence of this problem.</p>
4	MINUSMA should establish and implement effective controls to accurately determine the number of days staff members are present in Timbuktu, Gao, Kidal, Tessalit and Mopti prior to processing their danger allowances.	Important	Yes	Unit Chief, Client Support	Implemented	<p>With the implementation of UMOJA, the danger pay for international staff is automatically paid and then has to be recovered.</p> <p>To ensure effective control, MINUSMA HR in coordination with HR Partners runs monthly reports, which will be reconciled with staff members' MOPs and manifests in coordination with MOVCON and region-based HR Staff.</p> <p>This has been done on a monthly basis and recoveries will be made where required. Copy of a system</p>

MANAGEMENT RESPONSE

Audit of leave and attendance records in the United Nations Multidimensional Integrated Stabilization Mission in Mali

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						generated report that shows adjustments is attached
5	MINUSMA should review all danger allowances to identify and recover all double payments and/or overpayments.	Important	Yes	Unit Chief, Client Support	31 December 2016	As indicated in our response to recommendation No. 4, MINUSMA will run reports every month and will make recoveries where required. MINUSMA HR will further run a report to identify and recover double payments, if any