



INTERNAL AUDIT DIVISION

REPORT 2020/011

Audit of the United Nations Interim Administration Mission in Kosovo

The Mission established suitable mandate implementation procedures, but needed to review its organizational and staffing structures and enhance project management processes and logistics support arrangements

**24 June 2020
Assignment No. AP2019-650-01**

Audit of the United Nations Interim Administration Mission in Kosovo

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Interim Administration Mission in Kosovo (UNMIK). The objective of the audit was to assess the efficiency and effectiveness of UNMIK in implementing its mandate. The audit covered the period from 1 July 2018 to 30 June 2019 and included a review of UNMIK's governance, programme management and operational support.

UNMIK established adequate work plans and a performance management framework to support its mandate implementation and took initiatives to strengthen coordination between United Nations system entities in Kosovo. The Mission also implemented comprehensive strategies for priority thematic peace and security agenda items on women and youth and achieved international certification on the quality of its management systems. However, there was a need to enhance the effectiveness of UNMIK's mandate implementation and support activities.

OIOS made seven recommendations. To address issues identified in the audit, UNMIK needed to:

- Initiate an internal review of its organizational and staffing structures including the loaning of posts between sections to ensure that they better support integrated mandate implementation;
- Review, in coordination with relevant stakeholders, the distribution of inter-community trust-building activities and confidence building projects to ensure complementarity and adequate coverage of the multi-ethnic and minority communities in Kosovo;
- Strengthen procedures for budgeting, reporting, self-evaluation and post-completion follow-up of projects;
- Formalize project asset management procedures and ensure implementing partners submit annual asset registers;
- Review the adequacy of its existing medical support infrastructure and formalize the necessary arrangements to support optimal medical care for United Nations personnel and their dependents;
- Establish mechanisms to ensure that all staff deployments on temporary duty assignment are justified and approved only for exceptional use, in full compliance with the current guidance; and
- Expand its operating procedures to include specific processes to manage the private use of Mission vehicles and recovery of related costs, and effectively monitor and regulate drivers' overtime.

UNMIK accepted the recommendations, implemented one of them and initiated action to implement the rest.

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Audit of the United Nations Interim Administration Mission in Kosovo

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the United Nations Interim Administration Mission in Kosovo (UNMIK).
2. UNMIK was established by Security Council resolution (SCR) 1244 (1999) as an international civilian presence in Kosovo mandated to: (i) provide an interim administration to help ensure conditions for a peaceful and normal life for all the people of Kosovo; and (ii) advance regional stability in the Western Balkans.
3. UNMIK significantly modified its executive role as an interim civil administration following the unilateral declaration of independence by Kosovo authorities on 17 February 2008 and their promulgation of a new constitution on 15 June 2008. The Mission reconfigured its administrative and operational structure and profile in the 2009/10 fiscal year to reflect its lighter operational footprint and evolved role within the context of an unchanged mandate, to primarily focus on enhancing stability, security and human rights monitoring in Kosovo. Inter-community trust building through programmatic activities¹ and confidence building projects² (CBPs) also form a significant part of Mission operations. While UNMIK has no specific responsibility in the implementation of the European Union-facilitated political and technical agreements between Belgrade and Pristina, it supports and monitors the implementation progress. Although these agreements stalled in November 2018, UNMIK continued its constructive engagement with Pristina and Belgrade, communities in Kosovo, and regional and international actors.
4. The Mission's reconfiguration also followed the deployment of the European Rule of Law Mission (EULEX) within the framework of SCR 1244 (1999). EULEX's mandate is to assist Kosovo authorities in establishing sustainable and independent rule of law institutions, including police, judicial and customs authorities. Other international security presences established by Member States and international organizations include the North Atlantic Treaty Organization-led Kosovo Force (KFOR) and the Organization for Security and Co-operation in Europe (OSCE) Mission in Kosovo.
5. The Mission headquarters in Pristina is supported by the Mitrovica Regional Office (MRO) in north Kosovo, a small office in Pec municipality in the south, and the United Nations Office in Belgrade (UNOB), which manages political and diplomatic liaison with Serbian authorities and monitors regional developments in the Western Balkans of relevance to the United Nations. UNMIK also collaborates with the United Nations Kosovo Team (UNKT), composed of 19 United Nations system entities in Kosovo and led by the United Nations Development Coordinator (UNDC).
6. A Special Representative of the Secretary-General (SRSG), at the Under-Secretary-General level, heads UNMIK with the assistance of a Deputy SRSG. A Representative of the Secretary-General in UNOB also forms part of the senior leadership team in UNMIK. The Mission had an authorized staffing complement of 373 posts and a budget of \$39 million for the period 1 July 2018 to 30 June 2019.
7. Comments provided by UNMIK are incorporated in italics.

¹ Programmatic activities are funded through peacekeeping assessed budgets to support political progress and strengthen mandate delivery. They include capacity building, infrastructure and training projects.

² Confidence building projects are small-scale low cost rapidly implementable projects, similar to quick impact projects, that are aimed at building confidence in missions, their mandate and the peace process.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess the efficiency and effectiveness of UNMIK in implementing its mandate.

9. This audit was included in the 2019 risk-based work plan of OIOS due to the strategic risks presented by the evolving political environment in implementing UNMIK's mandate.

10. OIOS conducted this audit from July to December 2019. The audit covered the period from 1 July 2018 to 30 June 2019. Based on an activity-level risk assessment, the audit covered higher and medium risks areas in mandate implementation and programme delivery, which included a review of UNMIK's: (a) governance; (b) programme management; and (c) operational support processes.

11. The audit methodology included: (a) interviews with key personnel; (b) reviews of relevant documentation; (c) analytical reviews of data; and (d) detailed testing of random samples of programmatic activities and CBPs, and vehicle fleet management records.

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

III. AUDIT RESULTS

A. Governance

UNMIK work plans were aligned with the Mission's strategic priorities and performance management framework

13. UNMIK prepared a Mission concept and work plan for 2017-2019 outlining the SRSG's vision for mandate implementation. The Mission's strategic priorities were aligned to the Secretary-General's Action for Peacekeeping initiative, the prevention and sustaining peace agenda and the integration of political and development frameworks. The operational objectives incorporated: (i) empowerment of positive influencers such as youth, women and upcoming professionals in Kosovo; (ii) engagement with other stakeholders including Kosovo authorities and institutions, diplomatic and other international partners, and civil society organizations; and (iii) adopting innovative and effective approaches to substantive and mission support operations.

14. UNMIK's substantive components and MRO prepared annual work plans to address the strategic objectives and submitted quarterly progress performance reports for discussion during senior management meetings and to monitor their work plan implementation. The Mission Support Division (MSD), which is responsible for logistical, operational and administrative support, prepared a division-level work plan to guide Mission support components in preparing their section work plans. MSD section chiefs continuously reviewed performance and areas of concern during weekly meetings and shared updates, including key performance statistics, through a monthly newsletter. The Chief of Mission Support (CMS) chaired monthly meetings of the Budget Expenditure Working Group to coordinate the monitoring of cross-cutting mission support and finance and budget matters, while the SRSG chaired the Resource Stewardship Executive Group, which monitored the allocation and utilization of the Mission's resources to enhance accountability and programme delivery.

15. OIOS concluded that UNMIK had established work plans that were aligned to the Mission's strategic priorities, as well as a comprehensive performance management framework.

UNMIK was working to improve coordination with UNKT and other stakeholders

16. UNKT operates with local and international partners to collectively address Kosovo's development agenda as outlined in the United Nations Common Development Plan 2016-2020 (UNCDP), a five-year planning tool. The UNCDP envisaged UNKT collaboration with UNMIK through: (i) updating the United Nations Strategic Framework for 2015-2017; (ii) joint programming in strengthening the rule of law in Kosovo; (iii) the thematic Human Rights Contact Group, the Security and Gender Group and Communications Group; and (iv) resource contribution in the implementation of common priority areas. On 28 February 2018, the SRSG approved the Integrated Strategic Framework for Kosovo (2018-2020). The Framework incorporated the UNCDP to facilitate complementarity of United Nations system assistance to Kosovo through common strategic objectives and approaches, and identified strategic areas of collaboration with the UNKT. However, there was little evidence of the joint participation by UNMIK and UNKT in the implementation of the UNCDP and the Integrated Strategic Framework to demonstrate their co-ownership of their common strategic objectives. This was partially attributed to the fragile relations between UNMIK and the Kosovo authorities.

17. Nevertheless, UNMIK was working to improve coordination of its activities with UNKT and other stakeholders through the Trust Building Forum (TBF) held in May 2018 and the annual senior management retreat. The objective of TBF, comprising UNKT, the European Union, EULEX, OSCE and UNMIK and a cross-section of local stakeholders, was to build a more peaceful and inclusive society through the identification of common issues of concern, and advance trust-building initiatives in Kosovo. The TBF concluded with 135 recommendations, with responsibility for implementation distributed among key stakeholders including UNMIK. In addition, UNMIK SRSG convened a senior management retreat in May 2019, which was attended by the UNDC, heads of select UNKT entities and officials from the Departments of Political and Peacebuilding Affairs and Peace Operations. The objective of the retreat was to develop a shared understanding of the current political climate and mandate implementation and explore avenues for enhanced cooperation and complementarity between UNMIK and the UNKT.

18. OIOS, therefore, concluded that UNMIK was taking steps to improve coordination of its programme activities with UNKT and other stakeholders to effectively deliver its mandate.

There was a need to review the Mission's organizational and staffing structures

19. UNMIK underwent a comprehensive civilian staffing review in June 2015 and partially implemented the recommended net reduction of 20 posts by abolishing 16 posts Mission-wide in its 2016/17 budget submission. However, there was a need for an internal functional review of the organizational structure to enhance integrated mandate implementation Mission-wide and to adopt staffing best practices as described below.

a. Integration of substantive operations

20. The MRO is responsible for north Kosovo comprising four municipalities in north Mitrovica and one in South Mitrovica. Recent political developments in the Mitrovica region had effectively diminished the MRO's executive administrative role. Consequently, the Office is now primarily responsible for intercommunity reconciliation and the peaceful resolution of issues affecting local communities through the implementation of programmatic activities and CBPs. However, the MRO organizational structure, which had been established to support the previous executive administrative role, was not adjusted to reflect the significant change to its operational objectives and to functionally align its operations with those of

Pristina headquarters. MRO continued to operate principally through the Dialogue and Reconciliation Unit, the Political Analysis and Reporting Unit and five municipal representatives, all reporting through the D-1 Head of Office, who reported directly to the SRSG. The approximately 16 civil affairs and 2 political affairs officers in MRO had no direct functional link to the corresponding offices in UNMIK headquarters. Also, there was limited engagement between the UNMIK youth focal points in the Pristina and Mitrovica offices on joint activities targeting the youth. The absence of clearly defined functional reporting lines and limited integration hindered the demonstration of uniformity of approach in mandate implementation.

b. Forecasting and management of human resources

21. UNMIK had 19 posts on loan between sections as at 30 June 2019, 12 of which had been on loan for periods up to two years. This was contrary to the exceptional and temporary nature of loaned posts envisaged in the standard operating procedures (SOPs) on staffing table and post management of United Nations peace operations. The posts temporarily loaned within the Mission's authorized staffing table were duly approved within the delegated authorities of the CMS and SRSG, in consultation with the chiefs of the affected sections. However, there was inadequate documentation to justify loaning of the posts, including the proposed duration, reasons why the needs of the receiving sections could not be met through assigned resources, and long-term plans to meet the sections' human resource requirements. The audit also noted that except for one post that was reassigned in the 2019/20 budget, the Mission did not submit proposals to redeploy the remaining 18 loaned posts in its budget submission. As a result, UNMIK did not utilize its human resources in line with the organizational structure approved in its budget.

22. UNMIK conducted 37 recruitments during the audit period, including seven position-specific job openings (PSJOs), 14 recruitments-from-roster (RfRs) and 16 temporary job openings. The vacancy announcement for the PSJO recruitment of a P-5 Senior Mission Planning Officer in the Office of the Chief of Staff included additional key requirements/skills to the generic job profile for the position such as designing, monitoring and evaluating social media trends and supervising the production of analytical reports. None of the rostered candidates for a Senior Mission Planning Officer position possessed these requirements, which were similar to those of a Joint Operations Centre/Joint Mission Analysis Centre (JOC/JMAC) officer. At the time of the audit, UNMIK had reconstituted its JOC/JMAC as the Joint Analysis and Reporting Unit, and the selected candidate was posted on loan to that Unit. This raised doubts about the credibility of the recruitment process due to the introduction of individual-specific criteria that were not directly related to the requirements of the advertised post, and further distorted UNMIK's approved organizational structure.

(1) UNMIK should initiate an internal review of its organizational and staffing structures, including the loaning of posts between sections, to ensure that they better support integrated mandate implementation.

UNMIK accepted recommendation 1 and stated that it would conduct a table-top exercise of its structures; however, the current Mission structure at the headquarters in Pristina and the MRO was in line with the recommendations of the 2015 civilian staffing review and had proven to be the most effective approach for the achievement of the Mission's strategic goals. In addition, UNMIK would document consultations on loaning of posts, which took into consideration the SRSG's strategic priorities and vision including transforming UNMIK into a knowledge-based institution and ensuring operational ability to deliver what was required from UNMIK. Recommendation 1 remains open pending receipt of the results of the table-top review of UNMIK's organizational and staffing structures, and examples of documentation relating to the loaning of posts.

B. Programme management

UNMIK implemented strategies for the women, peace and security agenda and gender parity

23. UNMIK appointed a gender advisor to provide strategic advice and guidance to the SRSG and senior management on integrating SCR 1325 (2000) on women, peace and security in its mandate implementation. The Mission also established and implemented a Gender Framework Strategy for 2017-2019 to promote gender equality and support effective representation and participation of women in decision-making at all levels. A Gender Task Force, consisting of Mission leadership and senior management, was overseeing the implementation of the gender strategy. UNMIK in coordination with UN-Women organized the annual global open day for women, peace and security in Kosovo, which focuses on increased women's political participation and related challenges, legislation on gender equality and conflict related sexual violence. The Office of Strategic Communications and Public Information produced a documentary, "Not Your Property", addressing property rights and domestic/gender-based violence, and screened it throughout Kosovo in collaboration with the thematic Security and Gender Group.

24. UNMIK's senior leadership closely monitored implementation of the Mission's Gender Parity Strategy, which was aligned to the United Nations system-wide strategy. UNMIK had achieved 38 per cent incumbency of women in senior leadership positions as at 30 September 2019, 50:50 gender parity in current recruitments, and an overall female to male ratio of 42:58. The Mission had established parity targets by 2021 for staff at professional and higher levels, and by 2028 for field service level staff. The Mission also established breastfeeding rooms as advance application of gender parity enabling environment guidelines for the United Nations system.

25. OIOS concluded that UNMIK had made notable progress in its implementation of the global agenda on women, peace and security, and gender parity.

UNMIK coordinated the proactive participation of Kosovo youth in implementing the youth agenda

26. An estimated 60 per cent of the Kosovo population is below the age of 25 years, and UNMIK developed a framework strategy for 2018-2021 to advance the youth, peace and security agenda per SCR 2250 (2015). Additionally, the Mission appointed youth focal points in Pristina headquarters and MRO to facilitate youth participation in peacebuilding, trust building and community related issues.

27. The integrated activities targeting youth participation in peacebuilding culminated in UNMIK organizing the annual United Nations Youth Assembly in Kosovo in coordination with the United Nations Children's Fund (UNICEF) and UNKT. The 2019 Assembly was co-funded by the Secretary-General's Peacebuilding Fund with UNICEF as the key partner. The Youth Task Force, a multi-ethnic team of young Kosovo peacebuilders, continuously followed up and supported implementation progress of the Kosovo Roadmap on youth, peace and security. The Roadmap, an outcome of the 2017 Youth Assembly, consisted of 50 recommendations covering participation, prevention, protection and partnerships to be implemented by UNMIK, UNKT and Kosovo institutions. The stakeholders were implementing the recommendations in a progressive manner which, together with the TBF outcome, were instrumental in the implementation of programmatic activities addressing the strategic youth, peace and security agenda.

28. OIOS concluded that UNMIK had coordinated and supported inter-community youth activities to highlight and support the role and participation of Kosovo youth in implementing the youth, peace and security agenda.

UNMIK needed to ensure complementarity of its peace consolidation projects with other stakeholders in Kosovo

29. UNMIK programme budget submission for the 2018/19 fiscal year included \$2.4 million for programmatic activities and CBPs to support peace consolidation and build confidence in the Mission, its mandate and the peace process. The programmatic activities and CBPs broadly covered: inter-community trust-building and societal reconciliation; local level economic, social and cultural issues; rule of law and human rights; and gender and youth activities. The respective programme coordinators, in consultation with section chiefs, prepared supporting project proposals in line with the SRSB's Vision document and the prevailing strategic priorities and budget performance framework. The SRSB reviewed and endorsed the project proposals, while allowing flexibility to accommodate emerging priorities.

30. UNMIK implemented 37 short- to medium-term programmatic activities and 23 quick-impact CBPs during the audit period at a cost of \$1.7 million and \$384,000, respectively. The Mission maintained a pool of partners for programmatic activities, including United Nations system entities, to facilitate their selection based on their comparative advantage and demonstrated capabilities on previous projects. UNMIK self-implemented five programmatic activities valued at \$96,000, and UNKT entities implemented seven programmatic activities valued at \$562,000. The remaining 25 programmatic activities and all 23 CBPs were implemented by local actors including non-governmental organizations.

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While project management oversight structures were established, there was a need to strengthen project budgeting, reporting and follow-up procedures

35. UNMIK substantive components managed programmatic activities in accordance with existing guidance from the former Department of Peacekeeping Operations/Department of Field Support (DPKO/DFS). The Programmatic Activities Coordination Team (PACT), co-chaired by UNMIK Chiefs of Staff and Mission Support and composed of UNMIK programmatic activities focal points and representatives of the UNKT by invitation, oversaw the development and implementation of programmatic activities. The Project Review Committee was composed of representatives from participating substantive and mission support components, and from the Office of the UNDC, and evaluated and approved CBP project proposals. The Finance and Budget Section routinely reviewed project budget proposals before final approval. UNMIK disbursed project funds in installments, with the release of the second and subsequent installments being conditional upon the receipt of interim narrative and financial reports. The final disbursement was dependent on receipt of the final narrative and expenditure reports, and evaluation reports from the implementing partners and programme coordinators.

36. OIOS review of 12 programmatic activities and 11 CBPs indicated that the Mission had increasingly improved their management, including issuing: (i) draft project proposal guidance ahead of formal approval of the 2019/20 budget to speed up implementation timeframes; and (ii) an open call for proposals from past CBP implementing partners to enhance transparency over the selection of partners. However, there was scope to enhance project management controls to address the following issues:

a. Project budget proposals

37. Project budget proposals for programmatic activities included some lumpsum costs with no further detail on the scope of work and project deliverables. For example, project proposals to purchase office equipment for Kosovo's justice institutions, and vocational workshop equipment for a prison and detention centre did not specify the equipment required. Also, a project to support aftercare programmes, professional training and other interventions for the juvenile justice system did not include a breakdown of the locations to be covered or the target number of beneficiaries to be trained. Therefore, the bases on which the projects were approved by PACT were not clear. This increased the risk of inefficient use of resources or inadequate allocation of project budgets, which could negatively impact programme delivery and the Mission's credibility or reputation.

b. Project implementation and evaluation reports

38. Programme coordinators and implementing partners generally submitted interim project implementation narrative and expenditure reports in accordance with the agreed reporting protocols. Additionally, implementing partners for CBPs submitted expenditure reports with related bills and invoices as part of the project closure and financial reporting process. However, the Mission had not established appropriate mechanisms to monitor full and timely compliance with project reporting and evaluation requirements for programmatic activities. For example:

- The interim and final narrative reports and all 12 evaluation reports for programmatic activities reviewed were generally maintained as unsigned and/or undated Microsoft Word or Adobe PDF documents, and mid-term reports required for two of the projects reviewed were not submitted. The programme coordinators who prepared project proposals and selected

implementing partners were also responsible for drafting narrative reports and performing project self-evaluations further limiting the reliability and credibility of the reports;

- Programme coordinators and implementing partners submitted final financial reports for only 2 of the 12 completed programmatic activities reviewed, limiting UNMIK's ability to complete timely financial closure of the projects; and
- None of the programmatic activities and CBPs reviewed showed evidence of post programme implementation follow-up to ensure sustainability after completion of the projects and, where necessary, identify the need for follow-up support by UNMIK including alternative funding resources. There was therefore no assurance that completed programmatic activities and CBPs were effective and that the results achieved were sustainable

(3) UNMIK should strengthen project management procedures by ensuring: (a) adequate budgeting of programmatic activities including documentation of measurable project deliverables; and (b) timely and objective reporting, self-evaluation and post-completion follow-up of projects to verify achievement and sustainability of results.

UNMIK accepted recommendation 3 and provided evidence that it issued an updated process flowchart for programmatic activities and a related guidance memorandum on project on 8 May 2020. Based on the action taken by UNMIK, recommendation 3 has been closed.

There was a need to formalize project asset management procedures

39. Memoranda of understanding (MOUs) signed with implementing partners indicated that project assets remained the Mission's property, during which time implementing partners were responsible for their proper custody, maintenance and care, until UNMIK notified them otherwise in writing. However, the audit identified that UNMIK had no up-to-date records of project assets including furniture and equipment, closed-circuit television systems and a vehicle.

40. This was because implementing partners were not complying with the MOUs for mandated programmatic activities that required them to provide UNMIK with copies of project asset registers including location, serviceability and other details at the end of each calendar year. Also, the CBP guidelines and SOPs did not include any asset management reporting requirements. This increased the risk of loss of assets, with the potential to adversely impact the sustainability of related projects.

(4) UNMIK should formalize project asset management procedures and ensure implementing partners submit annual asset registers.

UNMIK accepted recommendation 4 and stated that the Mission was drafting internal guidance to address project related concerns and ensure project assets are duly accounted for. Recommendation 4 remains open pending receipt of UNMIK's guidance on project asset management procedures.

C. Operational support

UNMIK achieved the international organization standard for quality management systems

41. UNMIK MSD engaged a quality assurance officer as part of its performance management initiatives to implement a comprehensive quality assurance programme designed to enhance efficient, transparent and accountable service delivery. The quality assurance officer oversaw the November 2018

launch of a three-year quality assurance roadmap from 2018/19 to 2020/21. The 2018/19 standardization phase included the development of SOPs and key performance indicators (KPIs), supply chain capacity building and other preparatory work in readiness for the International Organization for Standardization 9001:2015 certification review. UNMIK MSD was assessed and certified as meeting the requirements of this standard effective 25 November 2019.

UNMIK implemented measures to monitor exercise of the revised delegated decision-making authority

42. As part of its implementation of the revised delegation of authority framework effective 1 January 2019, UNMIK analyzed key budget and finance, procurement, property management and human resources management activities and the results informed the SRSG's decision to maintain existing functional delegated authorities, including certifying and approving authorities. UNMIK also retained all sub-delegations of authority at Mission headquarters to avoid duplicating existing capacities in the relatively small mission.

43. In accordance with the Secretariat's accountability framework for monitoring the exercise of delegated authority, UNMIK's SRSG and the Business Transformation and Accountability Division in the Department of Management Strategy, Policy and Compliance (DMSPC) were responsible for monitoring and evaluating the use of delegated decision-making authority through Umoja, Inspira and other Unite applications. While the Mission had not received any feedback from DMSPC on the results of Department's monitoring activities, the CMS closely monitored all KPIs as part of the formal weekly and informal meetings of MSD section chiefs. The CMS also chaired quarterly quality assurance meetings and shared the Mission's supply chain performance reports with the Logistics Division of the Office of Supply Chain Management in the Department of Operational Support. OIOS concluded that UNMIK had implemented adequate measures to monitor exercise of the revised delegated decision-making authority.

There was a need to review the adequacy of the medical support structure

44. UNMIK medical facilities consisted of a Level-1 clinic in Pristina providing primary healthcare and emergency response, a basic level clinic in MRO, and two fully equipped ambulances. UNMIK clinics had limited diagnostic capacity; therefore, Mission personnel relied on referrals to local healthcare facilities for reimbursement under their relevant insurance plans. Additionally, UNMIK had no ambulance drivers; medical personnel did not have valid certifications for basic, advanced and trauma life support; and the nurse overseeing the Mitrovica clinic commuted from Pristina, an estimated 42 kilometers away.

45. More importantly, the 2009/10 reconfiguration of the Mission resulted in a significant reduction in UNMIK's medical capacity. Similar reductions limited the ability of EULEX and KFOR to support the medical requirements of UNMIK personnel. While the Mission had established an MOU with a private hospital in Pristina for Level 2/3 medical services, it did not provide evidence of arrangements for higher level of medical care. Ineffective medical and health support arrangements could compromise the health and well-being of personnel and their dependents.

(5) UNMIK should review the adequacy of its existing medical support infrastructure and formalize the necessary arrangements to support optimal medical care for United Nations personnel and their dependents.

UNMIK accepted recommendation 5 and stated that the Chief Medical Officer was conducting an assessment of medical service providers in Pristina, Belgrade and Skopje. Recommendation 5 remains open pending receipt of the finalized medical support arrangements.

UNMIK needed to comply with guidance on the use of temporary duty assignments

46. UNMIK deployed 17 staff members on temporary duty assignment (TDY) to field missions and United Nations Headquarters in New York during the audit period for durations ranging from three weeks to six months. While receiving missions covered the related travel costs and daily subsistence allowances for one international and 12 national staff members deployed on TDY to field missions, UNMIK incurred an estimated cost of \$100,000 to send one national and three international staff members on TDY to New York. Moreover, the circumstances underlying the Mission sponsored TDYs to New York did not meet the criterion of “events of an exceptional nature to support surge capacity”. UNMIK redeployed \$55,300 from communications and information technology to partially fund the unbudgeted TDYs to United Nations Headquarters, diverting resources for non-mandate implementation activities.

47. A further review of a sample of 10 TDY deployments during the audit period showed that: (a) two staff members went on TDY to field offices for four and five months, respectively contravening established guidelines that limit the duration of TDY in field missions to a maximum of three months; and (b) four staff members undertook multiple TDY deployments during the 2018/19 financial year for periods ranging between three and six months in violation of the established guidelines, which discourage repeated deployment of same staff members on multiple TDYs. This may be an indication that staffing resources are surplus to Mission requirements.

(6) UNMIK should establish mechanisms to ensure that all staff deployments on temporary duty assignment are justified and approved only for exceptional use, in full compliance with the current guidance.

UNMIK accepted recommendation 6 and stated that only staff with previous visas were solicited to deploy to locations with travel restrictions. Other TDYs included staff members who had a proven track record on managing liquidation projects and were therefore specifically requested to travel on TDY (e.g. to Haiti). These cases were well documented, and the resources were sent to support specific business exigencies. OIOS reiterates that multiple TDYs initiated and sponsored by UNMIK divert resources from mandate implementation activities. Recommendation 6 remains open pending receipt of evidence that staff deployments on TDY comply with current United Nations guidance.

UNMIK needed to establish procedures on monitoring the private use of Mission vehicles and drivers’ overtime

48. The UNMIK Vehicle Establishment Committee conducted a review of the light passenger vehicle ratio based on operational requirements and maintained the Mission’s fleet capacity at 53 vehicles. Kosovo is a family duty station with a well-established transportation infrastructure; therefore, Mission vehicles were provided for the performance of official duties only. All vehicles were fitted with the carlog electronic vehicle monitoring system, which recorded vehicle utilization data, including trip start and end times, opening and closing odometer readings and the driver details. The carlog system was configured to register trips between 7:00am and 5:00pm as business mileage, and any travel outside those hours as private.

49. In its review of use of Mission vehicles, OIOS extended the business travel cut-off time from 5:00pm to 7:00pm to accommodate transporting of staff at the end of the day and return of the vehicles to the Mission’s premises. The review of the 2018/19 carlog reports for a random sample of 13 vehicles indicated that 41 out of 139 staff who drove the vehicles sampled registered more private mileage than business mileage, sometimes in excess of four times more. Additionally, the sampled carlog statistics indicated that nine locally recruited staff with no official driver responsibilities accounted for 13,810 kilometers of private mileage in contravention of the current policy on the use of United Nations vehicles for non-official purposes.

50. Additionally, the travel statistics of 15 staff with assigned driving responsibilities indicated a 54:46 per cent split between business and private mileage. The private mileage, mainly registered after normal working hours and during weekends, gave rise to overtime and compensatory time off (CTO) for the staff who were driving UNMIK officials during those times. For example, one driver whose driving outside business hours was almost three times more than driving during business hours in 2018/19, was paid €5,818 (approximately \$6,644) for 172 hours of overtime accrued between July and November 2018. The same driver accounted for 41 per cent of the total overtime accrued from November 2018 to May 2019. A second driver, also with more driving outside official business hours, was paid €1,119 (approximately \$1,278) for 67 hours of overtime in August and September 2018. Six other drivers were granted CTO in lieu of a cumulative 2,606 hours incurred in excess of the standard working hours.

51. This occurred because UNMIK had not properly configured the standard working hours in the carlog system or established a procedure for monitoring the private use of mission vehicles and recovering associated costs. As a result, UNMIK did not initiate the recovery of an estimated \$6,700 being private mileage costs incurred by staff members. Additionally, although UNMIK had issued an administrative bulletin to reinforce compliance with rules on overtime compensation, it did not adequately monitor trends in drivers' overtime to ensure they were not excessive. Consequently, prolonged driving periods registered by some drivers increased the risk of health and safety implications due to driver fatigue.

(7) UNMIK should expand its operating procedures to cover the private use of Mission vehicles and recovery of related costs, and effectively monitor and regulate drivers' overtime.

UNMIK accepted recommendation 7 and stated that the instructions on the use of Mission vehicles would be updated in line with applicable United Nations guidance. Recommendation 7 remains open pending receipt of the updated instructions.

IV. ACKNOWLEDGEMENT

52. OIOS wishes to express its appreciation to the management and staff of UNMIK 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 the United Nations Interim Administration Mission in Kosovo

Rec. no.	Recommendation	Critical ³ / Important ⁴	C/ O ⁵	Actions needed to close recommendation	Implementation date ⁶
1	UNMIK should initiate an internal review of its organizational and staffing structures, including the loaning of posts between sections, to ensure that they better support integrated mandate implementation.	Important	O	Submission of the results of the table-top review of UNMIK's organizational and staffing structures, and examples of documentation relating to the loaning of posts.	30 June 2021
3	UNMIK should strengthen project management procedures by ensuring: (a) adequate budgeting of programmatic activities including documentation of measurable project deliverables; and (b) timely and objective reporting, self-evaluation and post-completion follow-up of projects to verify achievement and sustainability of results....	Important	C	Action completed.	Implemented
4	UNMIK should formalize project asset management procedures and ensure implementing partners submit annual asset registers.	Important	O	Submission of UNMIK's project asset management guidelines.	30 June 2021
5	UNMIK should review the adequacy of its existing medical support infrastructure and formalize the necessary arrangements to support optimal medical care for United Nations personnel and their dependents.	Important	O	Submission of the finalized medical support arrangements.	31 December 2020

³ 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.

⁴ 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.

⁵ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁶ Date provided by UNMIK in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the United Nations Interim Administration Mission in Kosovo

Rec. no.	Recommendation	Critical³/ Important⁴	C/ O⁵	Actions needed to close recommendation	Implementation date⁶
6	UNMIK should establish mechanisms to ensure that all staff deployments on temporary duty assignment are justified and approved only for exceptional use, in full compliance with the current guidance.	Important	O	Submission of evidence that staff are deployed on TDY in full compliance with the current United Nations guidance.	31 December 2020
7	UNMIK should expand its operating procedures to cover the private use of Mission vehicles and recovery of related costs, and effectively monitor and regulate drivers' overtime.	Important	O	Submission of updated instructions on the use of Mission vehicles.	31 December 2020

APPENDIX I

Management Response



INTEROFFICE MEMORANDUM / MEMORANDUM INTERIEUR

DATE: 12 June 2020

TO: Ms. Eleanor Burns, Director
Internal Audit Division, OIOS

FROM: Zahir Tanin
Special Representative of the Secretary General and Head of UNMIK

SUBJECT: UNMIK response to draft report on an Audit of UNMIK (Assignment no. AP2019-650-01).

1. Reference is made to your interoffice memorandum dated 19 May 2020 that entailed the draft report on an audit of UNMIK conducted between July and December 2019, covering the period from 1 July 2018 to 30 June 2019.
2. Reference is also made to my memorandum dated 06 March 2020 submitting UNMIK's initial response to your draft.
3. Please find attached UNMIK's response to your draft report in Annex 1.
4. I look forward to the necessary reflection of UNMIK's comments in your final audit report.
5. I would like to thank you and your team for the professional work and commitment shown during this audit exercise.

Best regards.

CC: Ms. Fatoumata Ndiaye, Under-Secretary-General for Internal Oversight Services
Mr. Levent Bilman, Director, Europe and Central Asia Division, DPPA/DPO
Ms. Fabiola De Freitas, Chief of Staff, UNMIK
Ms. Sandi Arnold, Chief of Mission Support, UNMIK
Mr. Frederic Renoux, Audit Focal Point, DPPA/DPO
Mr. David Kanja, Assistant Secretary-General, OIOS
Ms. Muriette Lawrence-Hume, Chief, New York Service, Internal Audit Division, OIOS
Mr. Tilchand Acharya, Chief, Peacekeeping Headquarters Audit Section, Internal Audit Division, OIOS
Mr. David Nyskohus, Acting Special Assistant to the Under-Secretary-General, OIOS
Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS
Mr. Manuchekhr Adilov, Audit Focal Point, AO/OCMS/UNMIK

Management Response

Audit of the United Nations Interim Administration Mission in Kosovo

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNMIK should initiate an internal review of its organizational and staffing structures, including the loaning of posts between sections, to ensure that they better support integrated mandate implementation.	Important	Yes	COS/CMS	2020-21	<p>Agreed with the recommendation.</p> <p>1. A table-top exercise will be conducted. Please note that the current structure is in line with the Civilian Staff Review (CSR) of 2015 recommendations of the structure and capacities of UNMIK, based on functions, work and direct reports.</p> <p>This is also reflected in the subsequent budget documents approved by the General Assembly. The Mitrovica region has both specific and unique political, governance, social, security, cultural, and economic characteristics and trends that distinguish it from the rest of Kosovo. The mission leadership is satisfied that the current structure of the Mitrovica Regional Office as a singular organizational unit reporting directly to the SRSG through the DSRSG has proven to be the most effective approach for ensuring the coherent approach necessary across disciplines for the mission to achieve its strategic goals.</p> <p>2. In addition to the overall yearly table/document approved by the SRSG on loaned posts, the consultations will be documented. Kindly note that the loaning of posts was done under the guidance of the Mission's senior leadership and following thorough consultation with affected sections. The decision on lending posts took into consideration SRSG's strategic priorities and vision including transforming UNMIK into a knowledge-based institution and ensuring operational ability to deliver what is required from UNMIK.</p>

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 Interim Administration Mission in Kosovo

Rec. no.	Recommendation	Critical/ Important 2	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>3. As for the use of individual contractors for the Official Residence and Front Office support, given the security considerations linked with the SRSG's portfolio and confidentiality considerations, UNMIK management has consciously decided to restrict the use of individual contractors.</p>
1	<p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>[REDACTED]</p>	<p>[REDACTED]</p>

Management Response

Audit of the United Nations Interim Administration Mission in Kosovo

Rec. no.	Recommendation	Critical! Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						[REDACTED]
3	UNMIK should strengthen project management procedures by ensuring: (a) adequate budgeting of programmatic activities including documentation of measurable project deliverables; and (b) timely and objective reporting, self-evaluation and post-completion follow-up of projects to verify achievement and sustainability of results.	Important	Yes	COS & CMS	08 May 2020	<p>Recommendation addressed:</p> <ol style="list-style-type: none"> 1. Interoffice Memoranda on Programmatic activities' deliverables for FY 19/20 in adherence to the OIOS audit recommendations and also, the Programmatic activities' updated processes Flowchart for FY 19/20 has been issued on 08 May 2020 and shared with all programme managers (<i>Annex 2, 3 & 3.1</i>). 2. In light of the above, the closure of this recommendation is suggested.
4	UNMIK should formalize project asset management procedures and ensure implementing partners submit annual asset registers.	Important	Yes	OLA	2020-21	<p>Recommendation being addressed:</p> <ol style="list-style-type: none"> 1. UNMIK is drafting an internal guidance on project asset management procedures. For the FY 19/20, UNMIK substantive and support sections have all worked with the Mission's Office of Legal Affairs in addressing project asset related concerns and ensuring that project assets were duly accounted for.
5	UNMIK should review the adequacy of its existing medical support infrastructure and formalize the necessary	Important	Yes	CMS/CMO	31 December 2020	<p>Agreed with the recommendation.</p> <ol style="list-style-type: none"> 1. First assessment by the CMO reviewed via note to CMS dated 18/02/2020. Target date of completion – end of 2020. Consultations for facilitation of travel ongoing with HQ (<i>Annex 4</i>).

Management Response

Audit of the United Nations Interim Administration Mission in Kosovo

Rec. no.	Recommendation	Critical/ Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	arrangements to support optimal medical care for United Nations personnel and their dependents.					
6	UNMIK should establish mechanisms to ensure that all staff deployments on temporary duty assignment are justified and approved only for exceptional use, in full compliance with the current guidance.	Important	Yes	CMS/CHRO	2019-20	<p>Agreed with the recommendation.</p> <p>1. Only staff with previous visas were being solicited to deploy to locations with travel restrictions (e.g. Khartoum). Other cases include staff members who had a proven track record for managing liquidation projects and were therefore specifically requested to travel on TDY (e.g. to Haiti). These cases are well documented, and the resources were sent to support specific business exigencies (<i>Annex 5</i>).</p> <p>2. In light of the above, the closure of this recommendation is suggested.</p>
7	UNMIK should expand its operating procedures to cover the private use of Mission vehicles and recovery of related costs, and effectively monitor and regulate drivers' overtime.	Important	Yes	CMS/CSD	2019-20	<p>Agreed with the recommendation.</p> <p>1. The previous instruction from 2016 will be updated in line with applicable UNHQ guidance.</p>