Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2022/005

Audit of service delivery by the Kuwait Joint Support Office

The Office provided adequate services to its clients but challenges with its funding and host country arrangements needed to be resolved

21 March 2022
Assignment No. AP2021-618-01

Audit of service delivery by the Kuwait Joint Support Office

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of service delivery by the Kuwait Joint Support Office (KJSO). The objective of the audit was to assess the adequacy and effectiveness of KJSO as a service provider to its clients. The audit covered the period January 2019 to April 2021 and included a review of KJSO: (a) governance mechanisms; (b) operations; (c) performance management; and (d) client relations.

While KJSO served various missions/entities and achieved benefits for the United Nations, there were challenges in its funding arrangements that needed to be resolved. KJSO was also relying on existing host-country agreements that the United Nations Assistance Mission in Afghanistan (UNAMA) and the United Nations Assistance Mission in Iraq (UNAMI) had established with the Government of the State of Kuwait. These did not adequately address immigration status of staff and other issues that were affecting the operations of the Office.

KJSO timely activated its business continuity plan (BCP), which allowed it to continue critical functions during the COVID-19 pandemic. It improved work planning with the implementation of a balanced scorecard, timely processed vendor payments, and submitted and published performance reports. However, KJSO did not achieve key performance indicators (KPIs) relating to processing human resources and travel transactions. While the Office maintained and periodically reviewed and revised its risk register, it needed to assess fraud and information security and sensitivity risks and ensure risk response and treatments plans were detailed with mitigating actions.

OIOS made five recommendations. To address issues identified in the audit,

The Department of Operational Support (DOS) needed to:

- Coordinate with relevant entities to redistribute the funding of staff posts and recover KJSO operational costs from client missions/entities not currently making any financial contributions for services received; and
- Consult with UNAMA, UNAMI and other relevant Secretariat departments to explore the possibilities of engaging the Government of the State of Kuwait to address issues impacting KJSO operations.

KJSO needed to:

- Update its risk register to include an assessment of fraud, information security and sensitivity, and ensure its risk response and treatment plans incorporate detailed and relevant mitigating actions;
- Revise its KPIs for resolving human resources-related service requests to ensure they are commensurate with the complexity of the underlying issues; and
- Ensure complete and accurate recording of all service requests received from staff of client missions and define a method to categorize service requests escalated to headquarters for resolution, to ensure accurate reporting.

DOS and KJSO accepted the recommendations and have initiated action to implement them.

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Audit of service delivery by the Kuwait Joint Support Office

I.   BACKGROUND

1.   The Office of Internal Oversight Services (OIOS) conducted an audit of service delivery by Kuwait Joint Support Office (KJSO).

2.   The United Nations Assistance Mission in Afghanistan (UNAMA) established the Technical Support Office in Kuwait in 2010 as a secure and effective location to transfer several critical functions and ensure business continuity and adequate disaster recovery. In 2012, the office was renamed the Kuwait Joint Support Office to provide administrative and back-office support services on human resources, finance, payroll and travel for UNAMA, as well as the United Nations Assistance Mission in Iraq (UNAMI). KJSO was established as an integral part of UNAMA and UNAMI, funded from both Missions' assessed budgets on a cost-sharing basis.

3.   Between 2014 and 2019, the erstwhile Department of Field Support currently Department of Operational Support (DOS) took advantage of the existence of KJSO to expand the administrative, finance, human resources and travel support services it provides to 16 missions/entities in 13 locations across Asia, Europe, Middle East and the Americas. Presently, KJSO provides full services to 8 missions/entities[1] and the processing of payroll and education grant for 10 missions/entities[2]. The support services are governed by service level agreements (SLAs), which outline the respective roles and responsibilities of the missions/entities served and KJSO.

4.   From 2017 to 2020, DOS devolved to KJSO the following additional functions that were previously provided at United Nations headquarters:

   a. Processing of claims under the Malicious Acts Insurance Policy and claims approved by the Advisory Board on Compensation Claims (Appendix D claims) for all United Nations Secretariat staff;
   b. Tier2b-OSD cycle in Umoja system[3]; and
   c. Off-cycle payments for non-African missions (settling-in grant, relocation grant, salary advances, rental advances and education grant advances).

5.   Except for travel (the COVID-19 pandemic restricted United Nations travel), transactions processed by KJSO increased steadily over the audit period as shown in Figure 1:

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[1] Office of the Special Envoy of the Secretary General for Syria (OSESG-Syria), Office of the Special Envoy of the Secretary General for Yemen (OSESG-Yemen), United Nations Assistance Mission in Afghanistan (UNAMA), United Nations Assistance Mission for Iraq (UNAMI), United Nations Investigative Team for Accountability of Da'esh/ISIL (UNITAD), United Nations Regional Centre for Preventive Diplomacy for Central Asia (UNRCCA), United Nations Mission to support the Hodeida Agreement (UNMHA), United Nations Integrated Office in Haiti (BINUH).
[2] Office of the United Nations Special Coordinator for Lebanon (UNSCOL), United Nations Disengagement Observer Force for Syria (UNDOF), United Nations Peacekeeping Force in Cyprus (UNFICYP), United Nations Global Service Centre (UNGSC), United Nations Interim Force in Lebanon (UNIFIL), United Nations Mission in Kosovo (UNMIK), United Nations Military Observer Group in India and Pakistan (UNMOGIP), United Nations Special Coordinator for the Middle East Peace Process (UNSCO), United Nations Truce Supervision Organization (UNTSO), United Nations Verification Mission in Colombia (UNVMC).
[3] Umoja support model that involves escalating iNeed user service requests from the Global Service Desk (Tier 2a) to Umoja Competency Centre (Tier 3) through Process experts (Tier 2b).

Figure 1: 2019-2020 volume of transactions processed by KJSO per quarter
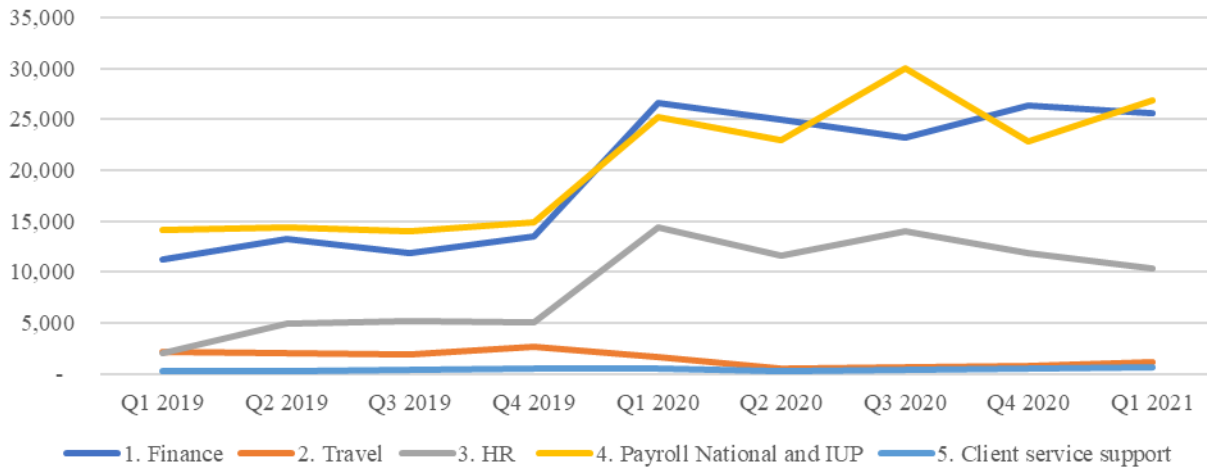
Abbreviations: Human resources (HR), International Uniformed Police (IUP)

6.   DOS established a two-tier governance structure to oversee KJSO. The Joint Regional Service Centre Entebbe (RSCE) - KJSO Steering Committee (JSC) reports to the Under-Secretary-General of DOS and is chaired by the Assistant Secretary-General for Support Operations. The Committee is responsible for governance, oversight and strategic decision-making of RSCE and KJSO. The KJSO Client Board (CB) is composed of directors/chiefs of mission support (D/CMS) of all missions/entities served and provides operational oversight and expert advice to the Chief, KJSO. It is chaired on a rotational basis by the D/CMS of client missions. CB reports to JSC through its Chair, who is also a member of the Committee. KJSO serves as an ex-officio member to JSC and CB, and as secretary to CB.

7.   KJSO is headed by a Chief at the P-5 level and has 84 staff posts. As of October 2021, 74 of the posts were filled (12 per cent vacancy rate). KJSO's estimated annual budget for 2021 was $8.2 million, including $7.5 million for staff costs and $691,000 for operational costs such as security, maintenance of facilities and transportation. KJSO's staff positions are funded by 8 of the 18 missions/entities it serves (Table 1). Demographics of KJSO staff are shown in Figure 2.

Figure 2: KJSO staff demographics by staff category, gender and regions
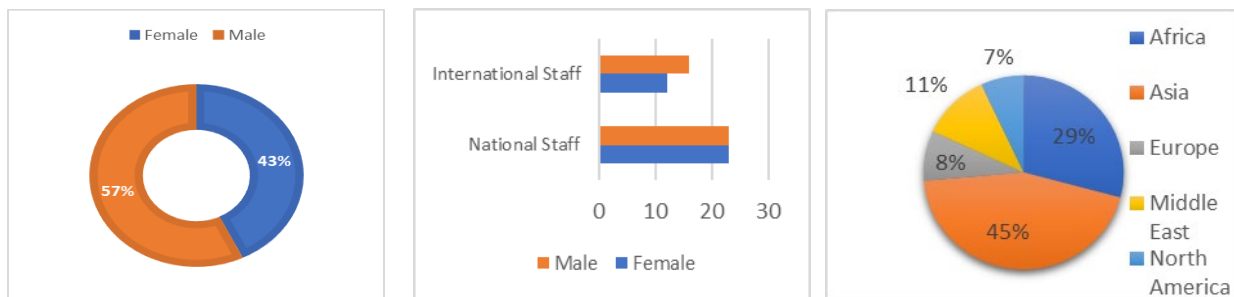
Table 1: 2021 Missions' contribution to KJSO staff posts

	Mission	International	National	IUP	Number of personnel served by KJSO	Number of posts contributed by mission	Percentage of total mission staff served
Full Client Services	UNAMA	250	780	1	1,031	39	18.87
	UNAMI	261	453	-	714	33	13.07
	UNITAD	93	61	8	162	0	2.96
	UNRCCA	8	21	-	29	0	0.53
	OSESG-SYRIA	9	32	-	41	1	0.75
	OSESG-YEMEN	65	37	-	102	0	1.87
	UNMHA	40	54	5	99	0	1.81
	BINUH	48	41	13	102	2	1.87
Education grant & payroll	UNIFIL	239	558	207	1,004	3	18.37
	UNGSC	118	284	-	402	2	7.36
	UNMIK	103	214	18	335	2	6.13
	UNFICYP	42	122	109	273	1	5.00
	UNDOF	52	84	56	192	1	3.51
	UNTSO	72	141	157	370	0	6.77
	UNVMC	122	129	108	359	0	6.57
	UNMOGIP	20	48	44	112	0	2.05
	UNSCOL	16	57	-	73	0	1.34
	UNSCO	29	35	-	64	0	1.17
Total		**1,587**	**3,151**	**726**	**5,464***	**84**	**100.00**

* Personnel served as of December 2021

8. Comments provided by KJSO are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

9. The objective of the audit was to assess the adequacy and effectiveness of KJSO as a service provider to its clients.

10. The audit was included in the 2021 risk-based workplan of OIOS due to the governance and operational risks relating to the support functions performed by KJSO.

11. OIOS conducted this audit from May to November 2021. The audit covered the period from January 2019 to April 2021. Based on an activity-level risk assessment, the audit covered high and medium risk areas in KJSO's service delivery and focused on: (a) governance mechanisms; (b) operations including workplan implementation and management of staff; (c) performance management including delivery on key performance indicators (KPIs) and reporting mechanisms; and (d) client relations.

12. The audit methodology included: (a) interviews with key personnel, (b) review of relevant documentation, and (c) analytical review of data.

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

III.   AUDIT RESULTS

A.   Governance mechanisms

The establishment of KJSO provided benefits for the Organization

14.   The back-office support services provided by KJSO resulted in efficiency and financial benefits to the Organization, including:

a)   Elimination of duplicative functions, staffing and related costs in hazardous locations.
b)   Consolidated disaster recovery and business continuity capacity for the mission/entities served. This allowed KJSO to provide uninterrupted service delivery during the COVID-19 pandemic, as well as assist UNAMA during the recent emergency and evacuation period. This included raising travel requests, certifying danger pay, and certifying and approving daily subsistence and security evacuation allowances.
c)   Increased stability of operations through reduced staff absences due to rest and recuperation entitlements, which account for, on average, an additional 64 days to staff's 30 days annual leave allowance.

There is a need to establish appropriate funding arrangements for KJSO

15.   Since the Office's establishment in 2012 as a back-stopping office for UNAMA and UNAMI on a cost sharing basis, additional responsibilities have been assigned to KJSO including providing back-office services to an additional 16 missions/entities and certain headquarters functions (e.g., processing of Appendix D claims and off-cycle payments for non-African missions). However, the assignment of additional responsibilities was not accompanied by a review of a cost sharing mechanism to ensure each entity receiving services appropriately contributed to the funding of KJSO. Therefore, UNAMA and UNAMI continued to fund the 72 posts initially deployed and 100 per cent of the operational costs, even though both entities' activities and budgets have significantly reduced as shown in Table 2. The other 12 posts were funded by 8 of the 18 entities served by KJSO, while the remaining 10 entities were not making any contributions as indicated in Table 1.

Table 2: Resource and staffing requirements of UNAMA and UNAMI at the establishment of KJSO and currently

Mission	2012-2021 Staff provided to KJSO	2012 Resources $m	2012 Staff	2021 Resources $m	2021 Staff	Percentage change Resources	Percentage change Staff
UNAMA	39	241,033.50	2,558	137,921.00	1,163	-43%	-55%
UNAMI	33	172,390.10	1,039	100,007.00	807	-42%	-22%

Sources: A/67/346/Add.4, A/67/346/Add.5, A/67/346/Add.5, A/67/346/Add.6

16.   Considering the downward trend in UNAMA and UNAMI budgets a sustainable funding framework for KJSO was needed; an issue that had been raised in several JSC and CB meetings since 2018.

17.   In the 2018-2019 programme budget submission for special political missions[4], the Secretary-General proposed to reduce the number of KJSO posts funded by UNAMA and UNAMI by 11, as they were considered to exceed the requirements needed to directly support the missions. They were to be replaced with nine posts funded by OSESG-Syria, OSESG-Yemen and UNITAD, which receive full services without funding any post as indicated in Table 1. While not objecting to the proposal, the Advisory Committee on Administrative and Budgetary Questions (ACABQ) commented[5] that KJSO was not a shared service centre approved by the General Assembly and that no business case had been submitted or cost-benefit analysis prepared to support its establishment. The Committee added that in accordance with General Assembly resolution 70/248, any changes to the existing and future service delivery model must be approved by the Assembly.

18.   The Secretary-General had submitted a formal proposal to the General Assembly on the global service delivery model, which involved changes that would affect KJSO. However, there had been no decision on this by the General Assembly. In April 2021, after considering different options, KJSO consulted four missions (UNITAD, UNMHA, OSESG-Yemen, UNVMC) requesting them to assign six posts under their delegated authority to KJSO. Three of the missions agreed in principle but raised concerns about justifying and obtaining the necessary funding and one mission, which is administratively supported by UNAMI, did not comment. The proposal was submitted to JSC in late April 2021.

19.   Regarding operational costs, KJSO submitted a billing and cost recovery model to CB members in October 2020, but technical issues were experienced in implementing it through Umoja because KJSO was not an established entity recognised by the General Assembly and does not have a cost centre. While the issue was discussed during the JSC meeting of 13 December 2021, no further action has been taken. KJSO informed that recovery of operational costs would be discussed at the next CB meeting in April 2022.

20.   Meanwhile the disproportionate funding of KJSO remained, and there was a risk that without a sustainable funding model, KJSO may not have the ability to provide the scope, level, and quality of services required by each client mission. This is exacerbated by recent developments in Afghanistan that may impact the operations of UNAMA, which is funding 39 KJSO posts. There was therefore a need for DOS to coordinate with all parties to develop a sustainable funding mechanism for KJSO.

> **(1)   DOS should coordinate with relevant entities to: (i) redistribute the funding of staff posts from UNAMA and UNAMI to missions/entities receiving services from KJSO; and (ii) finalize the proposal to share KJSO's operational costs among client missions, in collaboration with the Office of the Controller, if required.**
>
> *DOS accepted recommendation 1 and stated that three posts each from UNAMA and UNAMI (total six posts) had been redistributed to UNMHA, OSESG Yemen, UNITAD and UNVMC and the affected client missions had already agreed to reflect the adjustments in their 2023 budget submissions. In addition, a proposal for sharing operational costs would be presented to CB in its meeting during the second quarter of 2022.*

<u>Existing host-country agreements did not provide adequate privileges and immunities to staff and operations in Kuwait</u>

21.   UNAMI and UNAMA established host-country agreements in 2006 and 2010 with the State of Kuwait, pursuant to the Convention on the privileges and immunities of the United Nations. The agreements were used to process visas and work and resident permits for all Secretariat staff stationed in Kuwait. A

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[4] A/73/352 and A/73/352/Corr.1
[5] A/73/498

comparison of the agreements with the memorandum of understanding between RSCE and the Government of Uganda indicated that the Kuwait agreements did not incorporate necessary and important provisions to facilitate the movement of staff in and out of the country. These included:

(a) Exemptions from entry visa requirements or other types of entry permits for United Nations staff and holders of United Nations laissez-passer. The agreements required the Government of Kuwait to facilitate procedures for entry/exit of United Nations staff and to allow freedom of movement throughout the State of Kuwait. Staff were issued an "Article 17 Visa," which is issued to all expatriates working in the government sector. The "Article 17 Visa" requires employers to issue an "exit certificate" to employees to facilitate travel in and out of the country. This requirement resulted in delays and questioning of United Nations staff by local authorities for proof of permission to leave the country. Visas were issued at a cost, which was reimbursed by the mission/entity funding the staff.

(b) Non-exemption from compulsory participation in the local medical insurance scheme. This meant that locally recruited staff had to be enrolled in two health insurance schemes, i.e., the United Nations' and the local health insurance scheme. This resulted in additional costs to missions/entities funding staff as the local insurance cost was reimbursed to staff members.

(c) Non-specification of the grade of senior officials of the United Nations to be accorded privileges, immunities, exemptions and facilities extended to members of the diplomatic corps of comparable rank. Hence, only the Chief and Deputy Chief of KJSO, at P5 and P4 levels were accorded diplomatic status, while other staff at the same levels did not benefit from the privileges.

22.   DOS commented that the scope, circumstances and context of the agreements for Entebbe and Kuwait were different, including the fact that the RSCE supports several peace operations in the region, while the UNAMA agreement was to establish a technical and administrative support office. Additionally, the respective host countries' legislation and local conditions may also have a bearing on the provisions of the agreement and their implementation.

23.   An executive note drafted by UNAMA in 2011 to notify the Government that Kuwait had been designated a family duty station where United Nations staff were entitled to live with their family members (spouse and dependent children) was not finalized. This resulted in no exemptions from Kuwait visa restrictions for dependents. Staff therefore had some difficulties in obtaining visas or residency for dependent family members because of several immigration restrictions. Also, the designation of buildings as family housing resulted in considerable difficulty for single female staff to obtain preferred living accommodations within the approved security perimeter.

24.   As at November 2021, 17 of the 43 United Nations staff working outside of Kuwait were fully vaccinated but unable to return to the duty station due to the various regulations and rules imposed by the Government. There was no exception for United Nations staff to gain expedited entry. The CB Chair raised the issue at a meeting of JSC held in May 2021 recommending it be raised at the permanent mission level in New York. The issue was never raised and resolved. However, in 2022 Kuwait eased restrictions on travelers enabling United Nations staff to return.

25.   Furthermore, the office accommodation provided by the State of Kuwait is in a poor state of repair. UNAMI, which is responsible for managing the United Nations compound, did not have a budget to renovate the buildings as it was a major capital investment. While the need for assistance for renovation was raised with the Ministry of Foreign Affairs (MOFA) in 2014, and there have been follow-up meetings between UNAMI CMS and the Chief Engineer of MOFA in January 2020 and February 2021, a positive response from MOFA has not yet been received.

26.   These issues were raised at CB and JSC meetings and OIOS interviews with KJSO management and staff indicated that they are affecting the morale and well-being of staff.

> **(2)   DOS should consult with UNAMA, UNAMI and other relevant Secretariat departments to explore possibilities of engaging the Government of Kuwait to address issues impacting the operations of KJSO, including the immigration status of staff and their dependents and the condition of the office accommodation, and take necessary action.**
>
> *DOS accepted recommendation 2 and stated that the implementation timeline would be finalized after preliminary discussions with UNAMA, UNAMI and other relevant Secretariat departments. DOS noted that issues involving the implementation of and amendments to host country agreements often require lengthy discussions and coordination.*

<u>KJSO participated in meetings of governing bodies and implemented their recommendations</u>

22.   CB met bi-annually in accordance with its terms of reference, and the Chair also attended JSC meetings as the representative of KJSO and its clients. Although initially envisaged, JSC was not meeting quarterly due to the pandemic and other competing priorities and had decided to update its terms of reference to meet bi-annually and to hold ad hoc meetings that may be needed to discuss emerging issues. KJSO participated in all meetings, providing updates on its performance and areas impacting operations. Apart from the development of a cost-recovery and billing model discussed above, KJSO implemented all recommendations of the JSC and CB requiring its action.

<u>Risk management processes needed to be improved</u>

23.   KJSO had a current risk register that was developed using the United Nations Secretariat risk universe. The registers generally captured risks relevant to its operations such as effective delivery of services including processing of benefits and entitlements, financial reporting and BCP and disaster recovery. Risk definitions, key drivers, controls, residual risk ratings and risk owners were also in place.

24.   However, the register could be more comprehensive as it did not include risks related to: (a) potentially fraudulent activities, which needed to be considered due to the types of transactions processed by KJSO (payroll, education grant and danger pay entitlements); and (b) information security due to the confidential personnel data it maintained. While KJSO tracked completion of mandatory trainings for anti-corruption and information security awareness, training on information sensitivity in peacekeeping was not being monitored. Moreover, although KJSO informed that it had established controls to manage the retention, storage and safety of physical personnel files, these were not documented in the risk register. Potential exposure or loss of personnel data could result in reputational risks.

25.   KJSO had developed risk treatment and response plans, but apart for the risk of lack of funding, these did not include sufficient mitigating actions and instead indicated "internal controls monitoring activities to be implemented as part of the COSO Internal Controls Framework". The KJSO internal control framework was in draft, although the Chief, KJSO indicated that it would be finalized by March 2022. OIOS has reviewed the draft internal control framework and will report on this separately.

> **(3)   KJSO should update its risk register to include an assessment of fraud, information security and sensitivity, and ensure its risk response and treatment plan incorporate sufficiently detailed mitigating actions.**
>
> *KJSO accepted recommendation 3.*

<u>KJSO timely activated its BCP allowing the continuation of critical functions during the COVID-19 pandemic</u>

26.   KJSO BCP included essential and time-critical business services; maximum tolerable period of disruption for each service; list of time-critical vendors, suppliers and partners; staff members responsible for essential and time-critical functions, including their emergency contact information; and responsibility for activation. KJSO identified the United Nations offices in Mishref, Kuwait and Amman, Jordan as alternate working locations and devolution of functions to United Nations headquarters and RSCE.

27.   KJSO immediately activated its BCP following the Government's lockdown due to the COVID-19 pandemic in March 2020. Staff were able to effectively execute critical and essential administrative, and finance tasks (payroll, travel and human resources) and held meetings using virtual platforms even though 51 per cent of staff were away from the duty station on alternate working arrangements (AWA). Review of performance reports and minutes of meetings of CB and JSC indicated that the missions/entities were satisfied with the performance of KJSO during the pandemic.

28.   KJSO revised the BCP in April 2021 to capture emerging risks and lessons learned during the pandemic and was in the process of finalizing it into the ISO 22301[6] format prescribed by the organizational resilience management system, with anticipated completion date of March 2022.

B.   Operations

<u>KJSO was taking action to address staffing issues</u>

29.   At the time of the audit, KJSO had 10 vacant posts, with the recruitment process planned to be conducted in collaboration with funding missions/entities. Delays had been experienced in the process, partly because of the regular budget recruitment freeze from 1 April 2020 to March 2021 and funding missions having to maintain the authorized vacancy rate. However, since March 2021, four vacancies have been filled and a further six posts advertised.

30.   Due to vacancies and increasing level of services provided, KJSO trained staff to temporarily take over certain functions, particularly during peak periods. Staff, however, informed OIOS that they were being overburdened with work, which was negatively impacting their health and well-being. The stress was elevated during the COVID-19 pandemic when 80 per cent of staff were working remotely. To reduce the workload, KJSO's workplans[7] for the last three years (2018/2019, 2019/2020 and 2020/2021) included a goal to change its service delivery approach to a hub and spoke model. This would mean that staff of client missions would channel service requests through local support desks and only escalate those issues that could not be resolved to KJSO. This required the missions to assign a designated staff to resolve service requests at Tier 0 level. KJSO piloted the model for three months from October 2019 with HR service requests from UNAMA and intended to roll it out to other missions on successful completion. However, client missions had challenges designating staff to operate local client support desks due to their staffing constraints. Therefore, all service requests continued to be sent directly to KJSO as their first point of contact. Nonetheless, KJSO, as part of its service improvement/process innovation plan, has included a revised and rebranded hub and spoke model in its 2021/2022 workplan for implementation.

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[6] ISO 22301 is a security and resilience business continuity management system published by the International Organization for Standardization that specifies requirements to protect against, prepare for, respond to, and recover when disruptive incidents arise.
[7] KJSO work plans were aligned with the e-performance period from 1 April to 31 March each year.

31.   The Secretary-General's bulletin ST/SGB/2018/4 requires all staff to complete mandatory training. KJSO monitored compliance and broadcasted reminders encouraging staff to complete them, and this was effective as shown by the good completion rates in Figure 3.

Figure 3: Completion rates for United Nations mandatory courses as of November 2021
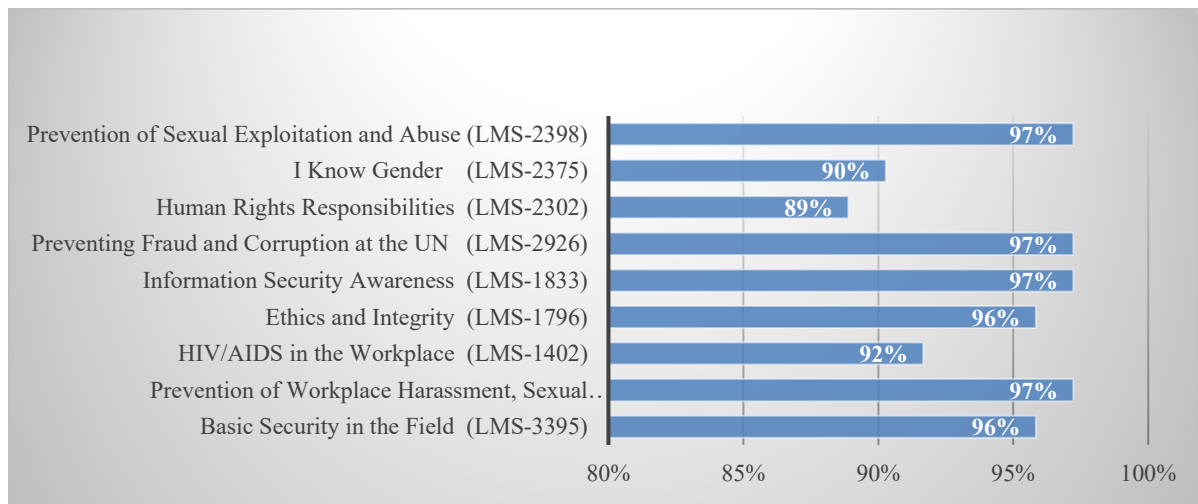
32.   KJSO staff were provided training; both in-house and external to improve their performance in areas of finance and human resources (Malicious Acts Insurance Policy and education grant management, work planning and performance management and travel). However, staff were not always able to attend relevant external training courses with cost implications due to limited resources allocated by UNAMA and UNAMI. For example, Travel Unit staff were unable to attend advanced training offered by the International Air Transport Association on "air fare construction" used for comparison where itineraries involved more than one airline. This could result in a loss of potential savings for the Organization. One client mission has offered to fund the training needs of KJSO. The Office will also consider funding for staff training in the design of its cost sharing model discussed above.

C.   Work planning and performance monitoring

KJSO improved its work planning and implemented balanced scorecards

33.   KJSO established a balanced scorecard to monitor financial and non-financial activities, short and long-term goals, KPIs and delivery outcomes. The score card illustrated KJSO's strategic objectives, focus and initiatives, as well as interlinkages in four perspectives: client and stakeholder, internal processes, learning and growth, and resource utilization. The 2019/2020 and 2020/2021 workplans of KJSO sections were mapped to the scorecard perspectives, including KPIs for KJSO's performance. A review of 2019/2020 and 2020/2021 workplans for 30 staff indicated that unit workplan goals were also cascaded down to individual staff performance goals.

34.   KJSO's Quality Performance Monitoring Unit (QPMU) monitored the Office's performance quarterly. Under-performance and those KPIs that were not achieved were discussed and addressed during weekly section chief meetings. KJSO also held meetings with client missions' chief human resource officers and chief finance/budget officers, where service delivery performance was discussed, and remedial actions taken.

KJSO achieved its KPIs except for HR and travel units, which needed improvement

35.   To manage and measure the effectiveness of its performance, KJSO established KPIs for travel, HR, finance, payroll, and quality assurance and submitted to client missions, JSC and CB, quarterly performance reports for each section. These were also published on United Nations iSeek website. Additionally, in line with its SLAs, KJSO submitted timely International Public Sector Accounting Standards compliant reports to the Office of Programme Planning, Finance and Budget for its eight full client missions during the audit period.

36.   However, due to challenges in resolving some complex service requests requiring multiple layers of consultations and clarifications with missions and/or DOS, KJSO did not achieve the KPIs related to HR and travel. The analysis of KPIs for KJSO for 2019 and 2020 are presented in Figures 4 and 5.

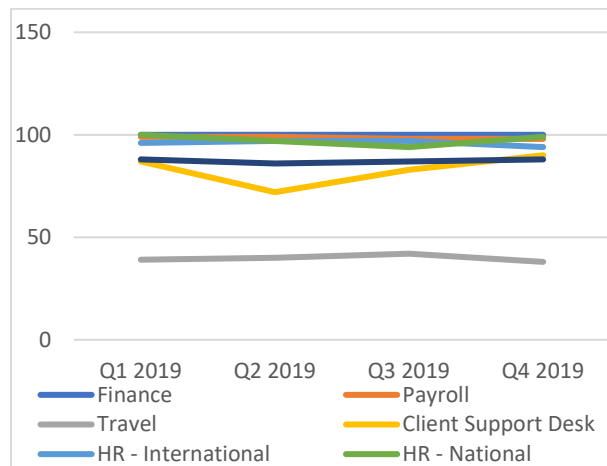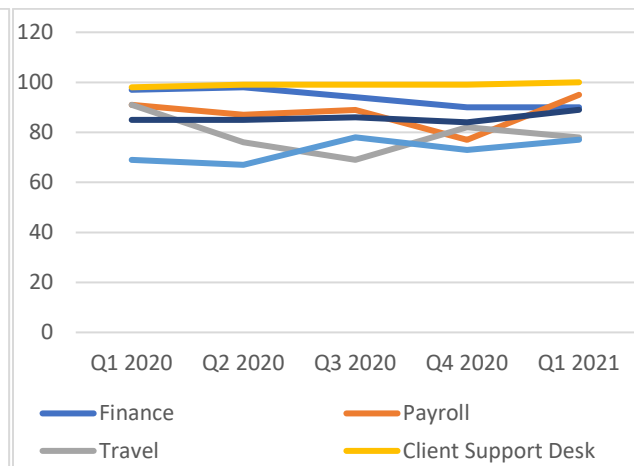**Figure 4: 2019 KPI achievement (%) per unit**   **Figure 5: 2020 KPI achievement (%) per unit**

*Reporting format for the HR unit KPI changed in 2020.

37.   To improve the achievement of KPIs, KJSO trained HR focal points of missions/entities and developed a travel pocket guide to inform staff on the requirements for processing education grants and travel requests; this improved the 2020 third quarter's performance. However, there was no distinction in the KPI targets to complete simple transactions, such as extension/renewal of staff appointments, vis-a-vis more complex transactions such as onboarding international staff and processing entitlement travel during the COVID-19 pandemic. As indicated above, complex transactions often required consultation with the mission and DOS, and KJSO was unable to estimate realistic timelines to resolve these service requests and monitor service delivery timelines.

(4)	**KJSO should revise its key performance indicators for resolving human resources-related service requests to ensure they are commensurate with the complexity of the underlying issues.**
	KJSO accepted recommendation 4 and stated that it would propose required changes as part of the ongoing review of the SLA, expected to be finalized during the third quarter of 2022.

38.   As a service provider, KJSO needed accurate information on, among others, the volume and nature of service requests it receives and time taken to address them to determine the capacity needed for service delivery and ensure KPIs are met, or remedial action taken.

39.   KJSO introduced the iNeed service portal in 2016 for staff of client missions to record service requests. Staff could also contact the Client Support Desk via dedicated email accounts and telephone numbers. KJSO logged, monitored and tracked service requests received through these mediums. Although iNeed is the Secretariat's enterprise solution to facilitate end-to-end visibility of service delivery, only about 3 per cent of service requests were routed through iNeed, and 97 per cent (Table 4) went through the dedicated email accounts and telephone numbers. This was because iNeed could not be used to handle time sensitive travel requests and confidential HR queries.

40.   However, mission staff were contacting KJSO staff directly or through their individual email accounts and Microsoft Teams calls/chats to request for services. These were not always communicated to the Client Support Desk for recording and monitoring, making it difficult for KJSO to maintain complete records of all requests and monitor timeliness within which they were resolved. It also impacted the accuracy of KPIs reported and information needed for decision-making. The minutes of meetings of JSC showed that plans are underway to introduce a platform called 'Service Now' that would replace iNeed.

Table 4: Service requests sources

Year	Email %	Phone %	iNeed self-service %	Total
2020	93	2	5	100%
2021	99	-	1	100%
Total	**96**	**1**	**3**	**100%**

41.   KJSO had not defined how service requests that were escalated to headquarters for resolution be categorized and reported on, including in measuring KPIs. They were not closed on iNeed to avoid the service portal notifying staff that their service request had been resolved, even though the outstanding action was no longer with KJSO. The Office needed to develop a method to categorize these requests and ensure accurate reporting.

> **(5)   KJSO should: (i) develop and implement a mechanism to ensure complete and accurate recording of all service requests received from staff of client missions through the various service channels for monitoring, tracking and reporting purposes; and (ii) define a method to categorize service requests escalated to headquarters for resolution, to ensure accurate performance reporting.**
>
> *KJSO accepted recommendation 5.*

KJSO processed vendor payments timely but there were opportunities to take better advantage of early payment discounts

42.   The United Nations standard contractual provisions required payment to vendors within 30 days of satisfactory delivery of services or goods. On average, KJSO processed invoices within one day of receipt of the invoice and all supporting documentation against a KPI of five working days. Invoices totaling $12.7 million (22,908 invoices) were processed by the Finance Unit with early payment discounts of $128,997

(664 invoices) received. KJSO was unable to take advantage of an additional $10,901 (36 invoices) discounts, mainly due to missions: (a) omitting or delaying attaching the required supporting documents such as delivery notes, service entry sheets, and completion certificates for construction contracts, and (b) submitting invoices after the discount period had expired. KJSO indicated that it would conduct at least one brown-bag session with client missions' vendor payments focal points during the 2022/2023 performance cycle and re-emphasize the use of the KJSO vendor payments dashboards so that payment processing delays may be mitigated.

D. Client relations

Mechanisms to measure client satisfaction could be improved

KJSO SLAs guided client service delivery; however, two SLAs were not signed

43. KJSO had SLAs for 16 clients outlining roles and obligations of the missions/entities and KJSO, as well as the services to be provided, timeframes and expected level of quality. In accordance with the SLAs, KJSO held quarterly meetings with client missions/entities to discuss challenges of service delivery and had established client focal points for all service functional areas. KJSO staff visited UNAMA, UNAMI and Yemen in 2019 and had planned to visit payroll clients in 2020 but this did not take place due to COVID-19 pandemic movement restrictions. KJSO also held quarterly joint meetings with mission focal points and functional counterparts.

44. KJSO resolved challenges to service delivery by (a) holding training sessions on education grant processing and workflows with client missions upon their request; (b) escalating to the Umoja Steering Committee issues that they were unable to resolve; (c) requiring missions to take responsibility for interpretation and application of policies that had financial implications, with KJSO acting on client instructions; and (d) requiring mission staff to seek clarification on HR policy related issues (entitlements, on boarding and separation) from their respective client mission HR focal points.

45. In January 2020, DOS delegated to KJSO education grant and payroll functions for United Nations Global Service Centre and United Nations Military Observer Group in India and Pakistan. KJSO prepared SLAs for both missions; however, as of November 2021, they had not been signed despite follow-up. As KJSO was in the process of updating all client SLAs to consider the latest developments within the United Nations such as Secretariat structural changes (creation of DOS), the new delegation of authority, and the changes in HR policies and procedures, no further action was taken on the unsigned SLAs.

Mechanisms to measure client satisfaction could be improved

46. KJSO used surveys to measure client satisfaction with service delivery, identify existing issues, and take corrective actions. KJSO conducted three surveys during the audit period covering the quality and timeliness of HR, finance, travel and payroll services provided and to assess whether information received and interactions with the clients were generally clear, helpful and timely.

47. While KJSO reported high overall client satisfaction ratings (89 per cent in 2020 and 83 per cent in 2021), the results could not be fully relied on as response rates were low (18 and 19 per cent for 2020 and 2021 respectively), although KJSO had sent several reminders through focal persons for staff to complete the surveys. Response rate and overall satisfaction ratings were not reported for 2019. While the CB minutes indicated that the low response rate was attributed to survey fatigue, KJSO could further engage with missions' management to encourage staff to respond to the surveys to improve the response rate and thus gain better insights in the quality of services provided and areas where improvement was needed.

48.   The surveys captured some demographic information, but these were not enough to channel specific questions to staff categories based on relevance of the topic or responses to previous questions. The responses were not analyzed by these demographics. KJSO did not conduct short surveys immediately after closing a service request to obtain feedback on the satisfaction level of staff. KJSO may therefore have missed an opportunity to obtain valuable feedback for informed decision making to improve service delivery.

49.   KJSO is exploring administering separate surveys for staff and management to appropriately target and identify its various stakeholders, measure their satisfaction and take corrective actions if necessary. KJSO also indicated that it would take further measures to collaborate with client missions to increase the survey response rate. These will include releasing the 2022 survey in both English and Arabic, routing vendor payments questions directly to the vendors which are the direct recipients of this service and explore the possibility of conducting short surveys after the resolution of service requests.

IV.   ACKNOWLEDGEMENT

50.   OIOS wishes to express its appreciation to the management and staff of KJSO and DOS 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 service delivery by the Kuwait Joint Support Office

Rec. no.	Recommendation	Critical[8]/ Important[9]	C/ O[10]	Actions needed to close recommendation	Implementation date[11]
1.	DOS should coordinate with relevant entities to: (i) redistribute the funding of staff posts from UNAMA and UNAMI to missions/entities receiving services from KJSO; and (ii) finalize the proposal to share KJSO's operational costs among client missions, in collaboration with the Office of the Controller, if required.	Important	O	Receipt of the 2023 budget submissions of UNMHA, OSESG Yemen, UNITAD and UNVMC that include funding requirements to contribute posts to KJSO and a copy of the finalized model presented to CB to share KJSO's operational costs, in agreement with the client missions and in collaboration with the Office of the Controller, as necessary.	31 December 2023
2.	DOS should consult with UNAMA, UNAMI and other relevant Secretariat departments to explore possibilities of engaging the Government of Kuwait to address issues impacting the operations of KJSO, including the immigration status of staff and their dependents and the condition of the office accommodation, and take necessary action.	Important	O	notification of the results of discussions with UNAMA, UNAMI and other relevant Secretariat departments on engaging the Government of Kuwait to address issues impacting the operations of KJSO and evidence of the actions taken on the measures agreed.	31 December 2022
3.	KJSO should update its risk register to include an assessment of fraud, information security and sensitivity and other relevant risks, and ensure its risk response and treatments plans incorporate sufficiently detailed and relevant mitigating actions.	Important	O	Receipt of KJSO's updated risk register that includes an assessment of fraud, information security and sensitivity, and other relevant risks, together with risk response and treatments plans that incorporate detailed and relevant mitigating actions.	31 March 2022
4.	KJSO should revise its key performance indicators for resolving human resources-related service requests to ensure they are commensurate with the complexity of the underlying issues.	Important	O	Receipt of the revised KPIs for resolving HR-related service requests that are commensurate with the complexity of the underlying issues, following review of the relevant SLA.	30 September 2022

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[8] Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

[9] Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

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

[11] Date provided by DOS and KJSO in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of service delivery by the Kuwait Joint Support Office

5.	KJSO should: (i) develop and implement a mechanism to ensure complete and accurate recording of all service requests received from staff of client missions through the various service channels for monitoring, tracking and reporting purposes; and (ii) define a method to categorize service requests escalated to headquarters for resolution, to ensure accurate performance reporting.	Important	O	Receipt of (i) evidence of implementation of KJSO's mechanism to ensure complete and accurate recording of service requests received from staff of client missions; and (ii) definition of the method to categorize service requests that are escalated to headquarters for resolution.	31 March 2023

APPENDIX I

Management Response

TO: A:	Ms. Eleanor T. Burns, Director Internal Audit Division, OIOS	DATE:	9 March 2022
		REFERENCE:	DOS-2022-00917
		CLASSIFICATION:	Confidential

THROUGH:
S/ C DE:

FROM: Atul Khare, Under-Secretary-General
DE: for Operational Support

SUBJECT: **DOS comments to OIOS draft report on an audit of service delivery by the Kuwait Joint**
OBJET: **Support Office (Assignment No. AP2021-618-01)**

1. Reference is made to your memorandum dated 16 February 2022 on the above subject.

2. Please find attached DOS inputs to the audit in Appendix I.

3. I take this opportunity to express our appreciation for the support and cooperation extended byOIOS to DOS colleagues in the course of this audit and for the useful feedback received.

CC: Fatoumata Ndiaye
Lisa Buttenheim
Joel Cohen
Zewdu Tegen

Management Response

Audit of service delivery by the Kuwait Joint Support Office

Rec. no.	Recommendation	Critical[12]/ Important[13]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1.	DOS should coordinate with relevant entities to: (i) redistribute the funding of staff posts from UNAMA and UNAMI to missions/entities receiving services from KJSO; and (ii) finalize the proposal to share KJSO's operational costs among client missions, in collaboration with the Office of the Controller, if required.	Important	Yes	ASG OSO KJSO Client Board Chair Chief KJSO	(i) within the 2023 budget year (ii) within the 2023 budget year	(i) Three (3) posts each from UNAMA and UNAMI (total six posts), and redistributed to UNMHA, OSESG Yemen, UNITAD and UNVMC. The affected client missions have already agreed to reflect the adjustments in their 2023 budget submissions. (ii) a proposal for sharing operational costs will be presented to the Client Board in its meeting during the 2nd quarter of 2022.
2.	DOS should consult with UNAMA, UNAMI and other relevant Secretariat departments to explore possibilities of engaging the Government of Kuwait to address issues impacting the operations of KJSO, including the immigration status of staff and their dependents and the condition of the office accommodation, and take necessary action.	Important	Yes	ASG OSO, CMS of UNAMA and UNAMI and Secretariat relevant departments (i.e. DPPA, OLA, DMSPC)	Tentatively 31 December 2022	Implementation timeline to be finalized after preliminary discussions with UNAMA and UNAMI and other relevant Secretariat departments. (Issues involving the implementation of and the amendments to host country agreements often require lengthy discussions and coordination).
3.	KJSO should update its risk register to include an assessment of fraud, information security and sensitivity and other relevant risks, and ensure its risk response and treatments plans incorporate	Important	Yes	Chief KJSO	31 March 2022	

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[12] Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

[13] Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Management Response

Audit of service delivery by the Kuwait Joint Support Office

Rec. no.	Recommendation	Critical[12]/ Important[13]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	sufficiently detailed and relevant mitigating actions.					
4.	KJSO should revise its key performance indicators for resolving human resources-related service requests to ensure they are commensurate with the complexity of the underlying issues.	Important	Yes	Chief KJSO	30 September 2022	KJSO will propose required changes as part of the ongoing review of the SLA expected to be finalized during the 3rd quarter of 2022.
5.	KJSO should: (i) develop and implement a mechanism to ensure complete and accurate recording of all service requests received from staff of client missions through the various service channels for monitoring, tracking and reporting purposes; and (ii) define a method to categorize service requests escalated to headquarters for resolution, to ensure accurate performance reporting.	Important	Yes	Chief KJSO	31 March 2023	