



INTERNAL AUDIT DIVISION

REPORT 2014/103

Audit of the recruitment process at the United Nations Conference on Trade and Development

Overall results relating to the management of the recruitment process were initially assessed as partially satisfactory. Implementation of five important recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

22 October 2014
Assignment No. AE2014/340/01

CONTENTS

| | <i>Page</i> |
|--|-------------|
| I. BACKGROUND | 1 |
| II. OBJECTIVE AND SCOPE | 1-2 |
| III. AUDIT RESULTS | 2-6 |
| Recruitment policies and procedures | 3-6 |
| IV. ACKNOWLEDGEMENT | 6 |
| | |
| ANNEX I Status of audit recommendations | |
| APPENDIX I Management response | |

AUDIT REPORT

Audit of the recruitment process at the United Nations Conference on Trade and Development

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the recruitment process at the United Nations Conference on Trade and Development (UNCTAD).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. UNCTAD is part of the United Nations Secretariat and, therefore, its policies and procedures for the recruitment of staff are aligned with the United Nations Staff Regulations and Rules. UNCTAD had been delegated authority for the management of its human resources under the United Nations administrative instruction on the Administration of the Staff Regulations and Staff Rules. The United Nations Office at Geneva (UNOG) Human Resources Management Service provided recruitment related services to UNCTAD, such as the preparation of letters of offer/appointment, publishing job openings, issuing classification notices, and presentation of cases to different review bodies. The allocation of the responsibilities between UNOG and UNCTAD was detailed in an interoffice memorandum of understanding dated 1 March 2006.
4. For the biennium 2014-2015, the UNCTAD budget provided for 385 regular budget funded posts, representing a decrease of 15 posts from the previous biennium. The estimates for extra-budgetary resources for the biennium 2014-2015 included an additional 20 posts, representing a decrease of one post compared to the previous biennium.
5. The UNCTAD Human Resources Management Section (HRMS) was headed by a Chief at the P-5 level who reported to the D-1 Chief, Resources Management Service. In addition to the Chief, UNCTAD HRMS had two P-level and ten GS-level staff members, subdivided into three clusters: Talent Management; Benefits and Entitlements; and Consultancies.
6. Comments provided by UNCTAD and UNOG are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

7. The audit was conducted to assess the adequacy and effectiveness of UNCTAD governance, risk management and control processes in providing reasonable assurance regarding the **efficient and effective management of the recruitment process at UNCTAD**.
8. The audit was included in the 2014 internal audit work plan for UNCTAD because of the risk that delays in recruitment of staff and failure to hire staff with the requisite skills could adversely affect UNCTAD operations and its capacity to delivery its mandated activities.

9. The key control tested for the audit was recruitment policies and procedures. For the purpose of this audit, OIOS defined this key control as controls that are designed to provide reasonable assurance that appropriate recruitment policies and procedures, including established targets and benchmarks, are consistently followed in staff selection.

10. The key control was assessed for the control objectives shown in Table 1.

11. OIOS conducted the audit from March to June 2014 and covered recruitment activities performed by UNCTAD from 1 January 2012 to 28 February 2014. The audit covered the selection and appointment of all staff members at the GS-5 and above levels to whom the Organization had granted an appointment of one year or longer under the Staff Rules during the period under review.

12. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key control in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness. A flow chart with all the steps and responsibilities for the recruitment process was developed by OIOS and shared with UNCTAD and UNOG Human Resources Management Service in order to validate the pre-identified criteria which were used during the audit to review the performance of the recruitment process. For the purpose of the audit, OIOS selected a sample of 23 recruitment cases for detailed review.

III. AUDIT RESULTS

13. The UNCTAD governance, risk management and control processes examined were **partially satisfactory**¹ in providing reasonable assurance regarding the **efficient and effective management of the recruitment process at UNCTAD**. OIOS made five recommendations to address issues identified in the audit. Recruitment policies and procedures were assessed as partially satisfactory because UNCTAD needed to establish a system of periodic monitoring and reporting to UNCTAD Senior Management on ongoing recruitment activities and develop an action plan to achieve the targets on timely recruitment as set out in the compact signed between the Secretary-General of UNCTAD and the Secretary-General of the United Nations. Delays in the classification of job descriptions needed to be addressed by UNOG by establishing a benchmark for the classification process and monitoring actual performance against the benchmark. There was also a need to provide appropriate training to UNCTAD hiring managers to address the delays arising from return of cases by the Central Review Body (CRB) due to the quality of the hiring managers' evaluations.

14. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of five important recommendations remains in progress.

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

Table 1: Assessment of key controls

| Business objective | Key control | Control objectives | | | |
|---|-------------------------------------|------------------------------------|--|------------------------|---|
| | | Efficient and effective operations | Accurate financial and operational reporting | Safeguarding of assets | Compliance with mandates, regulations and rules |
| Efficient and effective management of the recruitment process at UNCTAD | Recruitment policies and procedures | Partially satisfactory | Partially satisfactory | Partially satisfactory | Partially satisfactory |
| FINAL OVERALL RATING: PARTIALLY SATISFACTORY | | | | | |

Recruitment policies and procedures

Need to establish a system of periodic monitoring and reporting to UNCTAD Senior Management on ongoing recruitment activities

15. The UNCTAD Secretary-General’s Compact with the Secretary-General of the United Nations identified three expected accomplishments which were directly related to recruitment: (i) complete expeditiously the recruitment process (55 working days for the activities delegated to UNCTAD); (ii) give due regard to the principle of equitable geographical distribution; and (iii) increase effort to attain gender parity. UNCTAD HRMS shared with UNCTAD Senior Management periodic monitoring reports on the achievement of the gender and geographical goals. UNCTAD used the United Nations Human Resources Management Scorecard for monitoring the annual performance against the targets of United Nations Secretariat. In line with the Compact, the Scorecard was designed to track the benchmarks formally established by the Office of Human Resources Management of the Department of Management as mandatory for each step of the recruitment process, from the day of initiation of the job opening in the talent management system “Inspira” to the final selection decision by the head of department. Preparatory and follow-up activities, such as the request for classification of the job description and the on-boarding process, were not included in the Scorecard. Furthermore, the Scorecard did not capture the complexity of each sub-activity of the recruitment process which often included several back and forth steps between two or more actors.

16. UNCTAD HRMS had established a recruitment tracking table to monitor the recruitment process. However, the table was not designed as a reporting tool for Senior Management on the progress of ongoing recruitment activities and did not include all the elements required to serve as a monitoring tool. UNCTAD Senior Management was therefore unable to effectively assess the reasons for delays, ensure that timely action is taken by Hiring Managers and other stakeholders in the recruitment process, and hold concerned staff accountable for delays.

(1) UNCTAD should establish a system of periodic monitoring and reporting to its Senior Management on the status of ongoing recruitment activities.

UNCTAD accepted recommendation 1 and stated that it will enhance the recruitment tracking table in order to serve as a regular reporting mechanism for Senior Management. Recommendation 1 remains open pending the establishment of a monitoring and reporting tool for recruitment activities

in UNCTAD.

Need to develop an action plan for the achievement of the target on timely recruitment

17. As mentioned above, the commitment of UNCTAD for expeditious recruitment was included in the UNCTAD Secretary-General's Compact with the Secretary-General of the United Nations with a target of 55 working days for completion of all activities under his delegated responsibility. This target was not achieved in 2012 and 2013. On average, UNCTAD took 150 and 161 working days in 2012 and 2013 respectively to complete the recruitment activities. There was a general recognition at UNCTAD that this represented an unsatisfactory performance which was due to a number of different causes. However, there was neither a formal assessment nor a plan for: moving towards the expected target, identifying root causes to be addressed, and establishing progress milestones.

(2) UNCTAD should develop an action plan for achieving the target of 55 working days for recruiting staff as established in the UNCTAD Secretary-General's Compact with the Secretary-General of the United Nations.

UNCTAD accepted recommendation 2 and stated that it will integrate ongoing initiatives into an action plan to achieve the recruitment timeline target. Recommendation 2 remains open pending the development of an action plan for achieving the target of 55 working days for recruiting staff.

Need to establish a mechanism to follow-up and report on action taken to ensure timely recruitment for positions becoming vacant due to retirement

18. The administrative instruction on the Staff Selection System requires that anticipated job openings should be advertised at least six months before the anticipated vacancy. UNCTAD HRMS monitored positions due for retirement and informed hiring managers at least one year before the expected retirement. Subsequent reminders were sent if appropriate timely action was not taken. Between January 2012 and August 2014, 31 staff members were due for retirement. Seven of these posts were abolished and three were filled with lateral movements. None of the remaining 21 positions were advertised six months before the anticipated vacancy. Eleven of the 21 posts were filled by the time of the audit, and on average UNCTAD took 142 working days to fill these posts after the date the post became vacant. UNCTAD HRMS was of the view that the delays in advertising the posts were mainly due to last minute decisions by the hiring managers to re-classify the posts or the hiring managers' reluctance to take early action. UNCTAD HRMS had no mechanism in place to report to UNCTAD Senior Management about cases where the lack of timely action resulted in delays in advertising the posts and ensure that recruitment action was initiated in a timely manner.

(3) UNCTAD should ensure that job openings are advertised at least six months before the anticipated vacancy and establish a mechanism to report to UNCTAD Senior Management on noncompliant cases.

UNCTAD accepted recommendation 3 and stated that it will reinforce the systematic follow-up with Hiring Managers on upcoming retirements and will include noncompliant cases in the reporting mechanism to Senior Management. Recommendation 3 remains open pending the establishment of a mechanism to ensure that job openings are advertised at least six months before the anticipated vacancy.

The process of classifying job descriptions needed to be monitored against an agreed benchmark

19. According to the administrative instruction on the Staff Selection System, the hiring manager should start the creation of a job opening by selecting a base document (e.g. previously published job opening, generic job profile or an individually classified job description). When preparing the job opening, the hiring manager must ensure that any modifications that are made to the generic job profile or approved job description do not deviate by more than 30 per cent and do not affect the classified level of the post. When the hiring manager decides that he/she needs an individually classified job description he/she initiates the request for classification. In the case of UNCTAD, HRMS should review the request and submit it to UNOG Human Resources Management Service for classification. The evaluation criteria of job openings for positions for one year or longer created on an individually classified job description require approval by the relevant CRB.

20. Eleven out of the 23 recruitment cases reviewed at UNCTAD required classification of the job description because the hiring manager could not identify a suitable generic job description. UNOG took 46 working days on average for the classification process. The classification process: was conducted off-line (i.e. outside Inspira); was not included in the Human Resources Management Scorecard; and did not have a benchmark to measure its efficiency. Therefore, while classification was a critical step in the recruitment process, it was not benchmarked against an expected standard in terms of the number of days it should be completed in. UNOG Human Resources Management Service noted that sometimes Hiring Managers could make a better use of the generic job descriptions, thus avoiding the request for time consuming classifications. In June 2014, UNOG agreed that UNCTAD would undertake the initial review of the classifiable level in an attempt to reduce the time required for the process.

(4) UNOG, in agreement with UNCTAD, should establish a benchmark for the maximum number of days that the process of classifying job descriptions should take and establish a tool to monitor compliance with the established benchmark.

UNOG accepted recommendation 4 and stated that HRMS, UNOG in consultation with HRMS, UNCTAD will establish benchmarks for the maximum number of days for classification of job descriptions and will monitor compliance. Recommendation 4 remains open pending the establishment of measures to improve the timeline for the classification process.

Reasons for delays in the Central Review Body review needed to be addressed

21. According to the Manual for the CRB on the Staff Selection System, CRB meetings should be virtual rather than in person, and case reviews should be completed within seven working days. In the 23 cases reviewed by OIOS, the CRB took on average 37 working days. Delays at this stage were noted in 11 out of the 23 cases reviewed and were due to a combination of reasons.

22. Delays in CRB review were often related to the quality of the hiring managers' evaluations which resulted in repeated return of the cases to the hiring managers for further information/action. Based on OIOS analysis, the main delays related to the following:

- i) Twelve requests for clarification by CRB were related to lack of clarity of the documentation and presentation of the assessment results;
- ii) In two instances, CRB requested the hiring manager to perform the assessment tests for additional candidates;
- iii) In one case, CRB questioned the use of the performance appraisal for the assessment. The case was initially raised with the hiring manager and the recruiter and subsequently escalated to Headquarters, New York for clarification.

23. Hiring managers stated that they had difficulties to meet CRB expectations for documenting the assessment results. There was a need for UNCTAD hiring managers to be provided with training to enable them to improve the quality of their submissions to the CRB.

(5) UNOG should roll out a training programme to guide UNCTAD hiring managers in their documentation of assessment results so that they are in line with the quality and completeness expected by the Central Review Bodies.

UNOG accepted recommendation 5 and stated that HRMS, UNOG will roll out training/briefing sessions to UNCTAD hiring managers in close cooperation with HRMS, UNCTAD. Recommendation 5 remains open pending confirmation by UNOG that appropriate training has been provided to UNCTAD hiring managers.

IV. ACKNOWLEDGEMENT

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

(Signed) David Kanja
Assistant Secretary-General for Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of the recruitment process at the United Nations Conference on Trade and Development

| Recom. no. | Recommendation | Critical ² / Important ³ | C/ O ⁴ | Actions needed to close recommendation | Implementation date ⁵ |
|------------|---|---|----------------------|---|----------------------------------|
| 1 | UNCTAD should establish a system of periodic monitoring and reporting to its Senior Management on the status of ongoing recruitment activities. | Important | O | Establishment of a monitoring and reporting tool for recruitment activities in UNCTAD. | 1/4/2015 |
| 2 | UNCTAD should develop an action plan for achieving the target of 55 working days for recruiting staff as established in the UNCTAD Secretary-General's Compact with the Secretary-General of the United Nations. | Important | O | Development of an action plan for the achieving the target of 55 working days for recruiting staff. | 1/4/2015 |
| 3 | UNCTAD should ensure that job openings are advertised at least six months before the anticipated vacancy and establish a mechanism to report to UNCTAD Senior Management on noncompliant cases. | Important | O | Establishment of a mechanism to ensure that job openings are advertised at least six months before the anticipated vacancy. | 1/4/2015 |
| 4 | UNOG, in agreement with UNCTAD, should establish a benchmark for the maximum number of days that the process of classifying job descriptions should take and establish a tool to monitor compliance with the established benchmark. | Important | O | Establishment of measures to improve the timeline of the classification process. | 1/4/2015 |
| 5 | UNOG should roll out a training programme to guide UNCTAD hiring managers in their documentation of assessment results so that they are in line with the quality and completeness expected by the Central Review Bodies. | Important | O | Confirmation by UNOG that appropriate training has been provided to UNCTAD hiring managers. | 1/4/2015 |

² Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

³ Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁴ C = closed, O = open

⁵ Date provided by UNCTAD and UNOG in response to recommendations.

APPENDIX I

Management Response



CABINET DU SECRÉTAIRE GÉNÉRAL
DE LA CNUCED

SECRETARY-GENERAL'S
OFFICE

MEMORANDUM

30 September 2014

TO: Mr. Gurpur Kumar
Deputy Director
Internal Audit Division, OIOS

FROM: Petko Draganov
Deputy Secretary-General of UNCTAD

A handwritten signature in black ink, appearing to read 'Petko Draganov', written over the printed name in the 'FROM' field.

SUBJECT: *Draft report on an audit of the recruitment process at the United Nations Conference on Trade and Development (Assignment No. AE2014/340/01)*

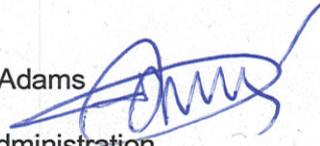
-
1. UNCTAD acknowledges receipt of the draft report on an audit of the recruitment process at the United Nations Conference on Trade and Development (Assignment No. AE2014/340/01) dated 16 September 2014.
 2. We take note of the overall results relating to management of the recruitment process and accepts the three recommendations made to UNCTAD, specifically.
 3. Please find herewith attached UNCTAD's comments with target dates and titles of the individuals responsible for implementing the recommendations under the document Appendix I.

cc: Dr. Mukhisa Kituyi, Secretary-General, UNCTAD
Mr. Clemens M. Adams, Director, Division of Administration, UNOG
Mr. Adnan Issa, Chief, Resources Management Service, UNCTAD
Mr. Vitali Rousak, Officer-In-Charge, Resources Management Service, UNCTAD
Mr. Serguei Raskalei, Chief Human Resources Management Service, Division of Administration, UNOG
Mr. Juan Jose Martinez Badillo, Programme Officer, Resources Management Services, UNCTAD, Audit Focal Point
Mr. Hughes Noubissie, Special Assistant to the Director, Division of Administration, UNOG
Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS

TO: Mr. Gurpur Kumar
À : Deputy Director
Internal Audit Division, OIOS

DATE: 8 October 2014

REFERENCE: SR/er

FROM: Clemens M. Adams 
DE : Director
Division of Administration

SUBJECT: **Draft report on an audit of the recruitment process at the United Nations Conference on Trade and Development (Assignment No AE2014/340/01)**
OBJET : **Nations Conference on Trade and Development (Assignment No AE2014/340/01)**

1. UNOG acknowledges receipt of the draft report on an audit of the recruitment process at the United Nations Conference on Trade and Development (Assignment No AE2014/340/01) dated 16 September 2014.
2. We take note of the overall results of the audit and accept the two recommendations made to UNOG.
3. Please find attached UNOG's comments with target dates and titles of the individuals responsible for implementing the recommendation under the document Appendix I.

cc: Mr. Mukhisa Kituyi, Secretary-General, UNCTAD
Mr. Michael Møller, Acting Director-General, UNOG
Mr. Adnan Issa, Chief, Resources Management Service, UNCTAD
Mr. Serguei Raskalei, Chief, Human Resources Management Service, UNOG
Mr. Hugues Noumbissee, Special Assistant to the Director of Administration, UNOG
Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division

Management Response

Audit of the recruitment process at the United Nations Conference on Trade and Development

| Rec. no. | Recommendation | Critical ¹ / Important ² | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|----------|---|---|-----------------------|--|------------------------|---|
| 1 | UNCTAD should establish a system of periodic monitoring and reporting to its Senior Management on the status of ongoing recruitment activities. | Important | Yes | Chief, Human Resources Management Section (HRMS) | First quarter 2015 | UNCTAD will enhance the recruitment tracking table in order to serve as a regular reporting mechanism for Senior Management. |
| 2 | UNCTAD should develop an action plan for achieving the target of 55 working days for recruiting staff as established in the UNCTAD Secretary-General's Compact with the Secretary-General of the United Nations. | Important | Yes | Chief, Human Resources Management Section (HRMS) | First quarter 2015 | UNCTAD will integrate ongoing initiatives into an action plan to achieve the recruitment timeline target. |
| 3 | UNCTAD should ensure that job openings are advertised at least six months before the anticipated vacancy and establish a mechanism to report to UNCTAD Senior Management on noncompliant cases. | Important | Yes | Chief, Human Resources Management Section (HRMS) | First quarter 2015 | UNCTAD will reinforce the systematic follow-up with Hiring Managers on upcoming retirements and will include noncompliant cases in the reporting mechanism to Senior Management. |
| 4 | UNOG, in agreement with UNCTAD, should establish a benchmark for the maximum number of days that the process of classifying job descriptions should take and establish a tool to monitor compliance with the established benchmark. | Important | Yes | Chief, Human Resources Management Section, UNOG | First quarter 2015 | HRMS, UNOG in consultation with HRMS, UNCTAD will establish measures to improve the time-line for classification of job descriptions and will establish benchmarks for the maximum number of days for classification of job descriptions and will monitor compliance. |
| 5 | UNOG should roll out a training programme to guide UNCTAD hiring managers in their documentation of | Important | Yes | Chief, Human Resources Management | First quarter 2015 | HRMS, UNOG will roll out trainings/briefing sessions to UNCTAD hiring managers in close |

¹ Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

² Important recommendations address important deficiencies or weaknesses in governance, risk management or internal 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 recruitment process at the United Nations Conference on Trade and Development

| Rec. no. | Recommendation | Critical ¹ / Important ² | Accepted? (Yes/No) | Title of responsible individual | Implementation date | Client comments |
|----------|--|---|-----------------------|---------------------------------------|------------------------|--------------------------------|
| | assessment results so that they are in line with the quality and completeness expected by the Central Review Bodies. | | | Section, UNOG | | cooperation with HRMS, UNCTAD. |