



INTERNAL AUDIT DIVISION

REPORT 2015/017

Audit of practices related to monitoring of time and attendance at the United Nations Office at Geneva

Overall results relating to the monitoring of time and attendance at UNOG were initially assessed as partially satisfactory. Implementation of four important recommendations remains in progress.

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

12 March 2015
Assignment No. AE2014/311/01

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AUDIT REPORT

Audit of practices related to monitoring of time and attendance at the United Nations Office at Geneva

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of practices related to monitoring of time and attendance at the United Nations Office at Geneva (UNOG).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure: (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. The UNOG Human Resources management Service (UNOG HRMS) provided human resources management services to all of UNOG as well as to over 50 client organizations with a total staffing level of 3,871 as at 31 December 2013. Time and attendance management and monitoring was decentralized to individual UNOG services and client organizations. UNOG HRMS played an advisory role including providing guidance and training and became directly involved in the case of disputes or on complex issues such as long-term sick leave. The Medical Services Section, which was part of UNOG HRMS certified medical reports for sick leave of 20 days and above within an annual leave cycle (1 April to 31 March).
4. In the wake of the implementation of Umoja – the Organization’s new enterprise resource planning solution – as well as the International Public Sector Accounting Standards (IPSAS), the Human Resources Management Service (HRMS) of UNOG was in the process of assessing its practices related to the monitoring of time and attendance, including extended sick leave, at UNOG and its client organizations.
5. The management of time and attendance and sick leave were governed by the Administrative Instructions on “Recording of attendance and leave” and “Sick leave”, and the Secretary-General’s Bulletin on “Staff Rules and Staff Regulations of the United Nations”. In addition, “UNOG conditions governing overtime and compensatory time off” (Appendix B to the Staff Rules) regulated the processes for approving and recording overtime and night differential for staff in Geneva.
6. Comments provided by UNOG are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

7. The audit was conducted to assess the adequacy and effectiveness of UNOG governance, risk management and control processes in providing reasonable assurance regarding the **effective monitoring of time and attendance at UNOG and its client organizations**.
8. The audit was included in the OIOS 2014 internal audit work plan following a request from UNOG, as the administration of time and attendance was a high risk area due to its decentralized nature, particularly in the context of recent and upcoming changes to the related processes required by the deployment of Umoja and implementation of IPSAS.

9. The key controls tested for the audit were: (a) regulatory framework; and (b) coordinated management mechanisms. For the purpose of this audit, OIOS defined these key controls as follows:

(a) **Regulatory framework** - controls that provide reasonable assurance that policies and procedures: (i) exist to guide the administration of time and attendance, including timely and accurate recording as well as effective monitoring of the use of overtime and sick leave; (ii) are implemented consistently; and (iii) ensure the reliability and integrity of financial and operational information.

(b) **Coordinated management mechanisms** - controls that provide reasonable assurance that overlaps in the responsibilities of UNOG HRMS, UNOG Medical Services Section, UNOG divisions and services and client organizations are minimized, and that essential information is shared in a timely and appropriate manner.

10. The key controls were assessed for the control objectives shown in Table 2. Certain control objectives (shown in Table 2 as “Not assessed”) were not relevant to the scope defined for this audit.

1. OIOS conducted this audit from February to October 2014. The audit covered the period from 1 January to 31 December 2013. The audit focused on UNOG divisions and services (UNOG entities) and its client organizations with staffing levels of around 200 and above. These included four client organizations: the United Nations Conference on Trade and Development (UNCTAD), the Office for the Coordination of Humanitarian Affairs (OCHA), the Office of the High Commissioner for Human Rights (OHCHR) and the Economic Commission for Europe (ECE); and three UNOG entities: the Division of Conference Management (DCM), the Safety and Security Section (SSS) and Central Support Services (CSS). As at 31 December 2013 these organizations had 3,185 staff which accounted for 82 percent of the 3,871 staff managed by UNOG HRMS. Summary information of the UNOG entities and client organizations covered by the audit are presented below in Table 1.

Table 1
Summary information on time and attendance relating to UNOG entities and its client organizations

Client	Number of Staff (December 2013)	Overtime hours worked in 2013	Overtime hours per staff member in 2013	Sick leave days in 2013	Average annual sick days per staff member in 2013
UNOG – SSS	198	5,598	28.27	2,630	13.28
UNOG – CSS	194	2,574	13.27	1,959	10.10
UNOG – DCM	716	1,184	1.65	6,698	9.35
ECE	226	0	0	1,364	6.04
OCHA	639	249	0.39	2,190	3.43
OHCHR	751	226	0.30	3,464	4.61
UNCTAD	461	53	0.11	3,892	8.44
Total	3,185	9,884	3.10	22,197	6.97

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

III. AUDIT RESULTS

12. The UNOG governance, risk management and control processes examined were initially assessed as **partially satisfactory**¹ in providing reasonable assurance regarding the **effective monitoring of time and attendance at UNOG and its client organizations**. OIOS made four recommendations to address issues identified in the audit.

13. The regulatory framework was assessed as partially satisfactory because: (a) there was a need to clean up the annual leave, sick leave as well as paternity leave records to ensure that they were accurate and up to date before the implementation of Umoja; (b) there was potential to reduce the cost of overtime if the Security Section used the provisions in the Appendix B to the Staff Rules to adjust its work allocation system; (c) there was a need for time keepers to ensure that medical certificates were provided for all certified sick leave; and, (d) annual leave was sometimes approved late, applied for and approved by the same person, and approved without verification of available leave balances.

14. Coordinated management mechanisms were assessed as partially satisfactory because coordination between the UNOG Medical Services Section and its client entities and organizations with regard to certification of sick leave needed to be strengthened.

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

Table 2
Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective monitoring of time and attendance at UNOG and its client organizations	(a) Regulatory framework	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(b) Coordinated management mechanisms	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

A. Regulatory framework

Need to clean up leave records to ensure that they are accurate before the implementation of Umoja

16. There were negative balances in the leave records in the Integrated Management Information System (IMIS), which implied that: (a) staff had either taken leave beyond the authorized entitlements; or

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.

(b) the leave balances were inaccurate. As at 31 December 2013, the accumulated negative annual leave balance was 1,180 days in OCHA, 704 days in OHCHR, 29.5 days in UNCTAD, 45 days in DCM, 19 days in ECE, six days in CSS, and three and a half days in SSS. With regard to paternity leave, for the period January 2011 to March 2014, there were 36 cases where paternity leave exceeded the limit of 20 days. With regard to sick leave, DCM had nine cases where uncertified sick leave exceeded the maximum of seven days, while there were two such cases in SSS, 12 cases in OHCHR, four cases in UNCTAD, and one case in OCHA.

17. UNOG attributed the negative balances largely to the fact that IMIS had no inbuilt controls to prevent the processing of leave balances beyond the authorized entitlements. Further, leave records were processed outside of IMIS, which increased the risk of error and delays in processing the information in IMIS. There were no standard practices established for processing and recording of leave days. Some organizations including UNOG, UNCTAD and ECE used the electronic leave system to enable their staff to request and approve annual leave, whereas others such as OCHA and OHCHR used paper-based systems which were more prone to error. Time keepers used different approaches to track leave balances. Some kept a spreadsheet while others performed a manual count from the e-leave system.

18. The implementation of Umoja offers an opportunity to address these problems and introduce a uniform automated system across all the entities. However, HRMS was uncertain as to whether Umoja had the in-built functionality to prevent the processing of leave beyond the authorized limit. There was also a need to investigate and resolve all negative balances in IMIS so that the balances migrated to Umoja are accurate.

(1) The UNOG Human Resources Management Service should: (a) instruct all entities and client organizations to clean up their leave records in IMIS before they are migrated to Umoja; and (b) follow up with the Umoja team on the need for inbuilt controls to prevent the processing of leave beyond authorized limits.

UNOG accepted recommendation 1. Recommendation 1 remains open pending receipt of evidence that UNOG Human Resources Management Service has: (a) issued instructions to all entities and client organizations to submit an action plan for cleaning up their leave records in IMIS before they are migrated to Umoja; and (b) followed up with the Umoja team on the need for inbuilt controls to prevent the processing of leave beyond authorized limits.

Need to consider the potential for reducing overtime expenditure

19. Appendix B to the Staff Rules states that “the need to incur overtime should always be of a transitory nature to meet urgent or unforeseen circumstances that make it imperative for staff to work beyond normal hours.” At SSS, staff were working on an “8 hour presence” schedule with weekend premium paid plus 2 days off. Appendix B does allow the normal work week of 40 hours to be modified by the adoption of a shift or roster system, also of 40 hours. SSS estimated that full compliance with Appendix B and the implementation of a shift system could result in savings estimated at \$26,000 per weekend. However, SSS had not amended its work allocation system to take advantage of all or some of these potential gains.

(2) UNOG should use the provisions of Appendix B to the Staff Rules to adopt a shift or roster system for the Safety and Security Section as a means of minimizing the expenditure on overtime.

UNOG accepted recommendation 2 and stated that a joint working group (Management and Staff representatives) has been created to adopt a shift system for SSS in compliance with Appendix B to

the Staff Rules. Recommendation 2 remains open pending receipt of evidence that SSS has adopted a shift or roster system in accordance with Appendix B to the Staff Rules.

Need for time keepers to ensure that medical certificates were submitted for all certified sick leave

21. Staff members may take uncertified sick leave for up to seven working days in an annual cycle starting 1 April of any year. Part or all of this entitlement may be used to attend to family-related emergencies. No medical certification is requested when informing the time keeper of such absence. Staff members may take certified sick leave if they provide a medical certificate from a licensed medical practitioner. Once a staff member has taken 20 days and more of sick leave within a single annual leave cycle (1 April to 31 March), the issue must be referred to Medical Services Section for further certification in the form of a medical report from the staff member's physician.

22. In order to determine whether medical certificates were received for all certified sick leave applications, OIOS reviewed a sample of 30 cases in each of the three UNOG entities and four client organizations sampled. Medical certificates were not provided in 15 out of 90 cases in the three UNOG entities; and in 22 out of 120 cases in the four client organizations (3 in ECE, 5 in OCHA, 5 in UNCTAD and 9 in OHCHR). Therefore, there was inadequate assurance that medical certificates were provided consistently for all certified sick leave as required. There is a need for time keepers to regularly verify that medical certificates were provided for all certified sick leave and to follow up with staff to submit the certificates or approve the reversal of the sick leave to annual leave. This has been addressed in recommendation 3 below.

Controls over annual leave needed to be strengthened

23. Most organizations delegated the authority for authorizing annual leave to supervisors who must approve annual leave requests in advance. OIOS reviewed annual leave approvals for a sample of 38 cases in each of the three UNOG entities and four client organizations reviewed. In the three UNOG entities; UNCTAD; and, ECE, there were 12 cases of late approval of annual leave, 3 cases where leave was approved by the same person applying for the leave, and 94 discrepancies in data between e-leave system/paper-based system and IMIS records. OHCHR used the paper-based system of leave application and could not locate leave application forms for 31 out of the 38 cases sampled. Further, since IMIS was updated from the e-leave system and the time keeper manually input data into IMIS once a month or longer, the leave balance may not have been correct in the e-leave system when the supervisor approved the leave. An incorrect leave balance in the e-leave system may result in the taking of excess leave, possibly leading to negative balances at the end of the leave cycle.

(3) The UNOG Human Resources Management Service should disseminate information and provide training, as necessary, to ensure that: (a) time keepers promptly update the leave data in IMIS; (b) supervisors approve leave requests in advance; (c) leave is not approved beyond the authorized entitlement; and, (d) time keepers regularly verify that medical certificates are provided for all sick leave.

UNOG accepted recommendation 3 and stated that HRMS UNOG has held a series of trainings for time keepers and a few briefing for managers on time and attendance issues. HRMS will conduct similar briefing to client offices and to managers at UNOG. Recommendation 3 remains open pending receipt of evidence showing that: (a) time keepers promptly update the leave data in IMIS; (b) supervisors approve leave requests in advance; (c) leave is not approved beyond the authorized entitlement; and, (d) time keepers regularly verify that medical certificates are provided for all sick leave.

B. Coordinated management mechanisms

Coordination between Medical Services Section and its client organizations needed to be strengthened

24. The Medical Services Section (MSS) was required to certify all cases of sick leave of 20 days and above while UNOG HRMS provided guidance and support in computing sick leave entitlements and managing cases of long term illness. Effective coordination between the MSS, the Human Resources Officers and the client organizations was essential for efficient and accurate processing of sick leave and management of long term sick leave cases. OIOS interviewed focal points in the UNOG entities and client organizations reviewed and noted that UNOG entities and client organizations had a good working relationship with HRMS and also received clear guidance and support, whenever it was sought from HRMS.

25. However, there was a need to strengthen coordination between MSS and its client entities and organizations. While many client organizations were satisfied with their relationship with MSS, there were some concerns raised by the clients that needed to be addressed. For example, two complained about the lack of responsiveness by MSS in providing guidance on time and attendance issues related to long-term sick leave; and another client expressed concern that MSS may approve un-authenticated medical certificates provided by staff members from their foreign medical physicians. Similar concerns were raised in the 2013 annual survey carried out by MSS regarding the quality of the various services it provided, including certification of sick leave and related matters.

26. Based on a review of the comments raised in the 2013 survey and discussions with MSS, OIOS concluded that there was no common understanding between the clients and MSS with regard to its role in certifying sick leave. For example, there was apparent lack of awareness on the extent to which MSS can disclose information to management with regard to individual staff members' sick leave, in view of confidentiality. The role of MSS in certifying sick leave for 20 days and above and the type of guidance and support it could provide on sick leave related issues had not been addressed adequately in the description of MSS mandate as communicated to clients and on the UNOG intranet.

(4) The UNOG Human Resources Management Service should document and distribute to its client organizations a detailed description of the Medical Services Section's role in certifying sick leave of 20 days and above and the guidance and support that it can provide on sick leave related matters.

UNOG accepted recommendation 4 and stated that UNOG HRMS will consult with the Chief, United Nations Medical Services Division on the role of Medical Service in certifying sick leave and providing support on sick leave related matters. Recommendation 4 remains open pending receipt of evidence that UNOG HRMS has documented and distributed a detailed description of MSS role in certifying sick leave and the guidance and support that MSS can provide on sick leave related matters.

IV. ACKNOWLEDGEMENT

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

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

STATUS OF AUDIT RECOMMENDATIONS
Audit of practices related to monitoring of time and attendance at the United Nations Office at Geneva

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	The UNOG Human Resources Management Service should: (a) instruct all entities and client organizations to clean up their leave records in IMIS before they are migrated to Umoja; and (b) follow up with the Umoja team on the need for inbuilt controls to prevent the processing of leave beyond authorized limits.	Important	O	Receipt of evidence that UNOG Human Resources Management Service has: (a) issued instructions to all entities and client organizations to submit an action plan for cleaning up their leave records in IMIS before they are migrated to Umoja; and (b) followed up with the Umoja team on the need for inbuilt controls to prevent the processing of leave beyond authorized limits.	30 April 2015
2	UNOG should use the provisions of Appendix B to the Staff Rules to adopt a shift or roster system for the Safety and Security Section as a means of minimizing the expenditure on overtime.	Important	O	Receipt of evidence that SSS has adopted a shift or roster system in accordance with Appendix B to the Staff Rules.	31 December 2015
3	The UNOG Human Resources Management Service should disseminate information and provide training, as necessary, to ensure that: (a) time keepers promptly update the leave data in IMIS; (b) supervisors approve leave requests in advance; (c) leave is not approved beyond the authorized entitlement; and, (d) time keepers regularly verify that medical certificates are provided for all sick leave.	Important	O	Receipt of evidence showing that: (a) time keepers promptly update the leave data in IMIS; (b) supervisors approve leave requests in advance; (c) leave is not approved beyond the authorized entitlement; and, (d) time keepers regularly verify that medical certificates are provided for all sick leave.	31 December 2015
4	The UNOG Human Resources Management Service should document and distribute to its client organizations a detailed description of the Medical Services Section's role in certifying sick leave of 20 days and above and the guidance and support that it can provide on sick leave related matters.	Important	O	Receipt of evidence that UNOG HRMS has documented and distributed a detailed description of MSS role in certifying sick leave and the guidance and support that MSS can provide on sick leave related matters.	31 December 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 UNOG in response to recommendations.

APPENDIX I

Management Response



MEMORANDUM INTERIEUR

INTEROFFICE MEMORANDUM

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

DATE: 3 March 2015

REF.

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

**Confidential: Draft report on an audit of practices related to monitoring of time
and attendance at the United Nations Office at Geneva (Assignment No.
OBJET: AE2014/311/01)**

1. Reference is made to your memorandum dated 17 February 2015 on the above-mentioned subject.
2. As requested, please find hereunder UNOG's comments highlighted in blue for each recommendation, including the timetable for implementation.

cc: The Acting Director-General
Mr. Serguei Raskalei, Chief, Human Resources Management, UNOG
Mr. Kyle F. Ward, Chief, Programme Support and Management Services, OHCHR
Ms. Nataliya Myronenko, Senior Human Resources Officer, UNOG
Mr. Hugues Nounbissie, Special Assistant to the Director, Division of Administration, UNOG
Ms. Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS

Management Response

Audit of practices related to monitoring of time and attendance at the United Nations Office at Geneva

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The UNOG Human Resources Management Service should: (a) instruct all entities and client organizations to clean up their leave records in IMIS before they are migrated to Umoja; and (b) follow up with the Umoja team on the need for inbuilt controls to prevent the processing of leave beyond authorized limits.	Important	Yes	Chief, Human Resources Management Service	30 April 2015	
2	UNOG should use the provisions of Appendix B to the Staff Rules to adopt a shift or roster system for the Safety and Security Section as a means of minimizing the expenditure on overtime.	Important	Yes	Chief, Human Resources Management Service	31 December 2015	Joint working group (Management and Staff representatives) has been created to adopt a shift system for the Safety and Security Section in compliance with Appendix B to the Staff Rules.
3	The UNOG Human Resources Management Service should disseminate information and provide training, as necessary, to ensure that: (a) time keepers promptly update the leave data in IMIS; (b) supervisors approve leave requests in advance; (c) leave is not approved beyond the authorized entitlement; and, (d) time keepers regularly verify that medical certificates are provided for all sick leave.	Important	Yes	Chief, Human Resources Management Service	31 December 2015	HRMS UNOG hold a series of trainings for time keepers and a few briefing for managers on Time and Attendance issues. HRMS will conduct similar briefings to client offices and to managers at UNOG.
4	The UNOG Human Resources Management Service should document and distribute to its client organizations a	Important	Yes	Chief, Human Resources Management	31 December 2015	HRMS UNOG will consult with the Chief, UN Medical Services Division in UNHQ on the role of Medical

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 practices related to monitoring of time and attendance at the United Nations Office at Geneva

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	detailed description of the Medical Services Section's role in certifying sick leave of 20 days and above and the guidance and support that it can provide on sick leave related matters.			Service		Service in certifying sick leave and providing support on sick leave related matters.

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