



INTERNAL AUDIT DIVISION

REPORT 2015/074

Audit of the implementation of the Umoja system in the United Nations Stabilization Mission in Haiti

Overall results relating to the effective implementation of the Umoja system were initially assessed as unsatisfactory. Implementation of two critical and five important recommendations remains in progress.

FINAL OVERALL RATING: UNSATISFACTORY

21 July 2015

Assignment No. AT2014/683/01

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AUDIT REPORT

Audit of the implementation of the Umoja system in the United Nations Stabilization Mission in Haiti

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the implementation of the Umoja system in the United Nations Stabilization Mission in Haiti (MINUSTAH).
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. MINUSTAH was originally established by Security Council resolution 1542 on 30 April 2004 to provide support to the Transitional Governance in Haiti for ensuring a secure and stable environment. In the following years, the mandate of MINUSTAH was revised on several occasions to adapt to the changing circumstances on the ground and the evolving requirements as dictated by the political, security and socio-economic situation prevailing in the country.
4. The MINUSTAH Headquarters was located in Port-au-Prince, Haiti. However, civilian staff were performing finance functions operating from Santo Domingo in the Dominican Republic since 2010.
5. The 2014/2015 budget of MINUSTAH included funding for \$500 million with 7,213 uniformed personnel (4,957 troops and 2,256 police), 344 international civilian personnel, 1,169 local civilian staff and 129 United Nations Volunteers.
6. Umoja is an application of the SAP enterprise resource planning (ERP) software that supports management activities related to finance, budget, human resources, supply chain, central support services, and other core business functions. This system is replacing and integrating numerous existing legacy information systems in use across the United Nations Secretariat.
7. The Department of Management (DM) has been leading the implementation of the Umoja project through the Umoja Office. The Department of Field Support (DFS) has been supporting the Umoja implementation for field missions. The deployment of Umoja was divided into phases (Foundation, Extension I, and Extension II), modules, and clusters. The Umoja Foundation phase, which included financial management and procurement, was implemented in all peacekeeping missions on 1 November 2013, including MINUSTAH. The pilot for Extension I, which includes human resources, payroll and travel, was implemented in MINUSTAH on 1 July 2014. Extension I for national staff remains to be implemented in MINUSTAH and is scheduled as part of Cluster 5 in April 2016.
8. Comments provided by MINUSTAH, DM and DFS are incorporated in italics.

II. OBJECTIVE AND SCOPE

9. The audit was conducted to assess the adequacy and effectiveness of governance, risk management and control processes put in place by MINUSTAH in providing reasonable assurance regarding the **effective implementation of the Umoja system in MINUSTAH**.

10. The audit was included in the OIOS work plan for 2014 in view of the high risks associated with the implementation of Umoja in MINUSTAH and its potential impact on deployments at other locations.

11. The key controls tested for the audit were: (a) project management; and (b) information and communications technology (ICT) support system. For the purpose of this audit, OIOS defined these key controls as follows:

- (a) **Project management** – controls that provide reasonable assurance that there is an appropriate project management mechanism in MINUSTAH to implement the Umoja system, including: (i) adequate financial resources; (ii) adequate and competent human resources; and (iii) appropriate project management tools.
- (b) **ICT support system** – controls that provide reasonable assurance that the Umoja system is adequately deployed in MINUSTAH.

12. The key controls were assessed for the control objectives shown in Table 1.

13. OIOS conducted this audit from 8 September to 30 November 2014. The audit covered the period from 1 November 2013 to 30 November 2014 and included a review of key processes for Foundation and Extension I in MINUSTAH.

14. 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

15. The MINUSTAH governance, risk management and control processes examined were initially assessed as **unsatisfactory**¹ in providing reasonable assurance regarding the effective implementation of the Umoja system in MINUSTAH. OIOS made nine recommendations to address issues identified in the audit. MINUSTAH and the Umoja Office had established project management procedures and practices for the deployment of the Umoja system. However, there were critical control weaknesses due to: (i) incomplete deployment of core functionalities for human resources management; (ii) inadequate access controls; and (iii) inadequate change management for new or changed processes. In addition, there were weaknesses in the overall system configuration and policies and procedures, which adversely affected the implementation of Umoja in MINUSTAH.

¹ A rating of “**unsatisfactory**” means that one or more critical and/or pervasive important deficiencies exist in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

16. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **unsatisfactory** as implementation of two critical and five important recommendations remains in progress.

Table 1: 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 implementation of the Umoja system in MINUSTAH	(a) Project management	Unsatisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(b) ICT support system	Unsatisfactory	Partially satisfactory	Unsatisfactory	Partially satisfactory
FINAL OVERALL RATING: UNSATISFACTORY					

A. Project management

Weaknesses in project management

17. The implementation of Umoja Extension I processes should have included all the functions required by management to perform human resources, payroll and travel operations, and all the required functionalities to be delivered according to the project plan.

18. Although the Umoja Office and MINUSTAH had established project management procedures and practices for the deployment of the system, the following critical control weaknesses were noted:

- (i) The Umoja Office delayed the implementation of critical functions related to the scope of extension I in MINUSTAH (i.e., automatic generation of the letter of appointment to staff members; automated personnel action notifications to staff members; and bulk contract extensions). Therefore, given that MINUSTAH did no longer have access to the Integrated Management Information System (IMIS), where these functions were previously performed, the Mission had to manually process them; and
- (ii) In addition, other important features were not yet implemented in MINUSTAH, including those related to employee self-service, manager self-service, and business intelligence reporting.

19. Given the volume of letters of appointment and personnel actions normally generated in a mission, it would not be possible to manage this process manually without causing significant delays, with potentially serious consequences such as the inability to promptly bring staff on board and renew their appointments in a timely manner. At the time of the audit, only 88 international staff and 300 local staff in MINUSTAH required contract renewals, and these were handled manually. However, it was expected that in June 2015, the mission will have to process approximately 1700 staff contracts to be renewed at once.

20. This condition was due to: (i) critical project activities not completed by the Umoja Office; and (ii) lack of release management procedures in the Umoja Office. As a result, the Organization may not be able to meet the project deadlines and perform critical business functions.

(1) The Umoja Office should ensure that: (i) the critical functions for personnel actions and bulk contract extensions are implemented in time for the deployment of the system in the third cluster; (ii) Umoja functionalities and features related to employee self-service, manager self-service, automated processes, and business intelligence reporting are implemented in time for the deployment of the system in the fourth cluster; and (iii) formal release management policies and procedures are in place for changes and updates to the Umoja system.

The Umoja Office accepted recommendation 1 and stated that: (i) the whole functionality related to Personnel Action (PA) notification was deployed in time for Cluster 3 (1 June 2015). No open issues are remaining with this functionality. Bulk contract extension design and functionality is still with the Office of Human Resources Management (OHRM) and DFS, and no request for change has been submitted to the Umoja Change Control Board. The functionality will be assessed for work effort, integration and timing of release into production and deployment; (ii) The functionality for Time Managers to be included in the workflow for leave requests is in production and the number of incidents regarding this issue has reduced drastically. Umoja Business Intelligence additional reporting functionalities for Human Capital Management, Benefits and Travel data are fully tested and available in production. High level business requirements have been developed for Employee Self-Service/Manager Self-Service monitoring reports, and assuming these are prioritized, they will be ready for the November 2015 Cluster 4 deployment; and (iii) Umoja will determine scope of activities associated with formal release management policies and procedures and implement them in 2015. Recommendation 1 remains open pending receipt of evidence demonstrating that: (i) functionalities and features related to employee and manager self-service, automated processes and business intelligence reporting have been implemented; and (ii) formal release management and procedures are in place for changes and updates to the Umoja system.

B. ICT support system

Weaknesses in access control and authorizations

21. Access to the Umoja system should be restricted to authorized staff members in accordance with their functional roles, responsibilities, and duration of their employment contract.

22. There were several inconsistencies in the user access authorizations assigned to MINUSTAH staff members. These were due to the inadequate assignment of roles to staff members and the lack of end dates to their access roles and credentials. The review conducted by OIOS on access control and authorizations in Umoja for MINUSTAH staff members showed that:

- (i) In March 2014, the Umoja Office published a matrix mapping the segregation of duties with user roles for the Umoja Foundation processes. The purpose of this mapping was to identify incompatible roles that should not be assigned to any user. However, no similar criteria were defined for Umoja Extension I processes. MINUSTAH did not determine potential incompatibilities in user roles for Umoja Extension I. In addition, OIOS comparison of user roles against the segregation of duties matrix for the Foundation processes showed that some users had conflicting roles in the system; and

- (ii) User roles for Umoja Extension I in MINUSTAH were assigned in bulk on the basis of an Excel spreadsheet that had been used for user mapping. OIOS reviewed a sample of user access and noted that: (a) some user roles listed in the Excel sheet did not exist in Umoja; (b) some roles assigned to users in the Excel sheet were not assigned to any users in Umoja; and (c) several roles that were not documented in the Excel sheet had been assigned to users in Umoja.

23. This condition was due to the absence of criteria defined by the Umoja Office for segregating the duties related to Extension I processes.

(2) The Umoja Office should: (i) define criteria for segregation of duties in the Umoja Extension I processes; and (ii) resolve the existing mismatch of user roles assigned in Umoja for Extension I and Foundation processes.

The Umoja Office accepted recommendation 2 and stated that: (i) it will document a baseline for ensuring a segregation of duties on the basis of a matrix; update the segregation of duties matrix for the Foundation roles in order to align them with the current situation; and review the separation of duties for potential conflict in the Extension I processes; (ii) it is continuously reviewing and updating the role descriptions and mapping guidance to highlight roles that should not be mapped to the same users. Also, Umoja has updated the user access mapping template, particularly for Umoja Extension I, to embed such information. Recommendation 2 remains open pending receipt of evidence demonstrating that: (i) a baseline for ensuring segregation of duties on the basis of a matrix has been documented for Extension I; (ii) the segregation of duties matrix for the Foundation roles has been updated to align it with the current situation; and (iii) a review of segregation of duties for potential conflict in Extension I processes has been completed.

Weaknesses in the support of the Umoja system

24. The iNeed system is a service desk application for the creation, resolution and tracking of requests for support related to the use of ICT systems, including Umoja. The standard operating procedures documented for the support of Umoja require offices to prioritize and monitor all requests assigned in the iNeed system, and to close them soon after their resolution. In accordance with this procedure, users should be notified about the solution implemented in response to the request for support.

25. The following controls were in place in MINUSTAH: (i) iNeed was installed and used in support of Umoja and other ICT issues; (ii) users did not experience significant downtimes to connect to Umoja; (iii) staff members working in the Service Desk had been trained on how to provide iNeed support for Umoja; and (iv) users had been instructed and periodically reminded to log their issues through the Service Desk. However, the following control weaknesses were noted in the area of Umoja support:

- (i) Several iNeed tickets were pending for closure since July 2014 and there was no automated escalation mechanism to ensure that pending tickets were closed in the system in a timely manner;
- (ii) iNeed tickets were not regularly analyzed to identify and prevent systemic issues and their root causes. This condition indicated the absence of proper problem management procedures for Umoja iNeed tickets;
- (iii) MINUSTAH required all users to direct all Umoja related issues to the Service Desk. However, issues related to Umoja interfaces with other applications (i.e., Galileo and

PROGEN) were not routed through the Service Desk. This prevented a complete analysis of the problems identified in the use of Umoja and the development of corresponding preventive and corrective actions; and

- (iv) The Umoja Office did not provide adequate feedback to MINUSTAH regarding the status of the open tickets identified through the monthly reports submitted by the mission.

26. This condition was due to the lack of a monitoring process to ensure that support tickets were properly routed and closed in a timely manner, and absence of a problem management procedure to analyze and prevent systemic issues. Due to these weaknesses, Umoja users' requests, incidents and problems may not be addressed in a timely manner, leading to inefficient use of the system.

(3) MINUSTAH, in collaboration with the Umoja Office, should: (i) review and resolve the old Umoja requests for support and implement a mechanism to ensure that pending tickets are closed in a timely manner; (ii) establish a problem management procedure to identify systemic issues and their root causes, and focus on problem prevention; and (iii) ensure that all interface problems are routed through the Umoja Service Desk.

MINUSTAH accepted recommendation 3 and stated that the Mission: (i) is continuously working on the review and resolution of pending Umoja requests; (ii) will coordinate with the Umoja Office to establish problem management and prevention procedures; and (iii) will continue to enforce the routing of all interface problems through the Umoja Service Desk. The Umoja Office accepted recommendation 3 and stated that: (i) to be effective, the Information Technology Infrastructure Library (ITIL) based Problem Management must be enterprise-wide. Initial discussions have taken place to design and implement proper ITIL-based problem management for Umoja globally in 2015; and (ii) all interface problems are routed through the Umoja Service Desk. The relevant documentary evidence has been provided to OIOS. Recommendation 3 remains open pending receipt of evidence demonstrating that: (i) pending tickets have been closed; and (ii) global problem management procedures have been put in place to identify systemic issues and their root causes, with focus on problem prevention.

Inadequate controls configured in Umoja

27. The Umoja system should be configured with controls to prevent the possibility of unauthorized, fraudulent or invalid processing of transactions, with particular reference to financial and procurement data. The basis for the configuration of control settings in Umoja should be supported and documented in accordance with a risk assessment.

28. OIOS review of several processes in Umoja showed weaknesses relating to configuration and tolerances, as explained below:

- (i) Exception matching tolerance levels were not configured for payment processing for transactions that originated in Umoja Extension I but are paid in Umoja Foundation, leading to unnecessary delays in processing payment transactions when the variance was immaterial; and
- (ii) Several tolerance checks were not enabled and there was no documented evidence available to demonstrate that configurable controls in Umoja regarding procurement processes had been adequately established. For example, a formal risk assessment should have supported the configuration of controls to ensure that the 3-way matching of purchase orders, goods receipt/service entries and vendor invoices was complete and

allowed the organization to operate efficiently. Only two tolerance checks were enabled in Umoja (the invoice amounts based on quantities and purchase order prices; and the moving average price variance tolerance). Several other tolerance checks were not enabled (i.e., the tolerance to block invoiced items over a specific dollar amount difference with the purchase order, and the tolerance for matching the invoice against the goods receipt).

29. This condition was due to the absence of preventive and detective controls configuration in Umoja for tolerances based on a proper risk assessment. The lack of documented configuration criteria and control settings based on a proper risk assessment in coordination with the Office of Programme Planning, Budget and Accounts (OPPBA) could create inefficiencies in the use of the system.

(4) The Umoja Office, in coordination with OPPBA, should document configuration decisions for tolerances based on a proper risk assessment.

The Umoja Office accepted recommendation 4 and stated that the administration will evaluate the experience of the 3-way matching and apply lessons learned in this regard. However, no additional work on documentation or adjustments to configuration can be undertaken until after Cluster 5 is deployed, as the current focus needs to remain on ensuring a proper deployment of Umoja to all entities and stabilization. Recommendation 4 remains open pending receipt of evidence demonstrating that configuration decisions for tolerances have been based on a proper risk assessment.

Inadequate month-end closing procedures

30. Month-end closing procedures should be performed on a regular basis to reduce the potential for error and ensure that the Organization will be able to produce accurate financial statements. OPPBA issued month-end procedures, guidelines and instructions to all missions that have implemented Umoja.

31. The following issues were noted in the month-end procedures followed in MINUSTAH:

- (i) Posting periods (i.e., opening and closing periods) were not defined in Umoja to ensure that documents were posted in the appropriate period and to reflect the closing instructions; and
- (ii) MINUSTAH had not performed month-end closings in accordance with the instructions issued by OPPBA. General ledger balances were not reviewed and reconciled on a monthly basis. As of September 2014, MINUSTAH was still performing month-end processing for June 2014.

32. This condition was due to the absence of defined opening and closing posting periods and the inadequate implementation of month-end closing procedures in MINUSTAH. As result, transactions could be posted to incorrect periods and lead to errors and delays in the preparation of financial statements.

(5) The Umoja Office, in coordination with OPPBA, should: (i) configure appropriate posting periods in Umoja; and (ii) enforce the process and terms defined for the conduct of month-end procedures.

The Umoja Office accepted recommendation 5 and stated that: (i) Since July 2013, the Umoja system has been configured with appropriate posting periods to meet month-end and year-end

requirements. The posting periods have been configured with the fiscal year variants required to accommodate the Organization's requirement for the leading ledger (OL for Volume 1) and the non-leading ledger (NL for Volume 2). The documented evidence of this configuration has been provided to OIOS. Based on the confirmation and evidence provided by the Umoja Office and OPPBA, recommendation 5 has been closed.

Weaknesses in change management aspects for process design and workflow

33. Business processes should be re-designed and integrated in the development and implementation of a new information system and should include adequate mechanisms to meet business requirements. Impacted processes require adequate change management and, to the extent possible, automation of workflow, control of processes and performance improvements.

34. OIOS noted a total of six business processes with change management deficiencies. In particular, the following issues were noted:

- (i) There were instances of annual leave requests approved by the Human Resources (HR) Section but not by the supervising manager of the staff member. Managers were not yet included in the workflow of the leave approval process because the planned solution had not been implemented as expected;
- (ii) Certain transactions (i.e., cashiering, bank signatories, etc.) were approved in Umoja without giving visibility to the approving staff members of the supporting evidence. This condition conflicted with the existing delegation of authority memoranda that required staff to review supporting evidence of their transactions prior to their approval;
- (iii) Staff members who left the Organization were required to perform certain transactions through the employee self-service function of Umoja (i.e., repatriation certification after separation; actions required by retirees; etc.). Given that they did not have access to the Umoja system, the HR Section performed transactions on behalf of separated staff members. However, there were no policies regulating the role of HR on behalf of staff members that left the Organization;
- (iv) The Receipt and Inspection Unit could not print copies of purchase orders from Umoja. This condition caused delays in the receipt and inspection process because the Unit had to receive an email with a copy of the purchase order from the Procurement Division in order to initiate their verification when receiving goods at locations away from their workstations;
- (v) Inadequate training and guidance caused cases of duplicated number of travel days associated with leave requests which were entered into the system by both the staff member and the HR Section; and
- (vi) Finance staff did not know how to process transactions related to accounts receivable processes affected by the Umoja implementation. For example, there were conflicting guidelines and instructions on how to process cost recoveries from business partners that did not have customer roles in Umoja (such as staff members, retirees, and independent contractors).

35. The above listed conditions were due to: (i) standard SAP process configurations in SAP that did not fully support the requirements of the United Nations Secretariat; (ii), problems in the process design of business requirements; and (iii) inadequate change management and training.

36. Inadequate change management for process designs and workflows could cause delays in performing tasks, possible errors and omissions in data records, and prevent the Organization from meeting expected objectives.

(6) The Umoja Office, in coordination with the affected business owners, should review the change management aspects of process weaknesses and workflows, and implement solutions in Umoja and the corresponding business processes as applicable.

The Umoja Office accepted recommendation 6 and stated that the Office and the business owners are reviewing the change management aspects of process weaknesses and workflows. Review and implementation is to be completed in 2015. Recommendation 6 remains open pending receipt of evidence demonstrating that solutions for the change management aspects of process weaknesses and workflows have been implemented.

Delays in payments to transferred staff members

37. Staff salaries are required to be paid in accordance with United Nations regulations and rules.

38. There were instances of delays in the payments made to staff members that transferred from another duty station to MINUSTAH.

39. These delays were caused by data that had to be manually converted from the IMIS by the Umoja Office at Headquarters because the Umoja system was not yet implemented in the staff members' previous duty stations.

40. The delay in payments to transferred staff could adversely impact the reputation of the Organization and staff morale in MINUSTAH, as well as all UN locations during the ongoing deployment of Umoja.

(7) The Umoja Office, prior to deploying the system in the third cluster, should improve the process to convert staff members' data.

The Umoja Office accepted recommendation 7 and stated that the functional resources of Extension I have updated functional specifications and the conversion team updated conversion programs to address the issues identified in the MINUSTAH pilot conversions. These changes were tested during the mock conversions of Cluster 3. Validation procedures were updated to reconcile IMIS data with the data converted in Umoja. Umoja instructions and templates related to ad-hoc conversion into Umoja, and instructions related to "once in Umoja, always in Umoja" processes, for staff transferred from Umoja to non-Umoja environment are being developed and updated by OHRM. Recommendation 7 remains open pending evidence that the process to convert staff members' data has been improved.

Delays in payments to travel vendors

41. Payments to travel vendors are required to be processed by the Organization based on the obligations and payment terms defined in legal contracts.

42. There was a backlog of travel payments to specific vendors due to a series of control weaknesses. In a sample of invoices totaling \$490,000, the system flagged line items in the amount of \$99,000 as “errors”, and placed them in parked status. In addition, the system placed \$50,000 of line items in blocked status. There was also an amount equal to \$90,000 shown as owed to a vendor for which the Finance Unit had not received the invoices because they were incorrectly sent to the Travel Unit. These issues were due to:

- (i) Errors being generated in Umoja when travel invoices were electronically uploaded (168 line items for the month of September 2014), causing delays for their resolutions. Local staff had not been trained on how to address these errors and the finance staff had not been able to attend the training provided for travel processing due to year-end closing. As a result, many travel invoices remained in an error state and, therefore, unpaid;
- (ii) Travel invoices remained in “parked status” or “blocked status” in Umoja due to unmatched line items;
- (iii) Requests for travel on official business submitted less than 21 calendar days before the trip (i.e., travel exceptions) required a mandatory justification and approval. Certifying officers did not know how to approve or reject these types of travel requests and had no visibility of the process to identify potential justifications, causing delays;
- (iv) Umoja was configured to disburse payments on a “line-by-line basis” and prevented payments less than \$100. The rationale of this configuration was to save electronic fund transfer fees and accumulate payments above a certain threshold. However, this configuration resulted in many payments being automatically withheld by the system beyond their due dates; and
- (v) Travel invoices could not be paid because the amount of funds released in the system (43 instances identified) was less than the invoiced amount. This resulted in two travel vendors warning to discontinue any further issuance of travel tickets. In addition, there were six instances where the cost centre of the travel had not been assigned in Umoja but the vendor had already submitted the invoice; and six instances where the traveler identification number did not match the trip identification number.

43. The above listed conditions were due to: (i) staff inability to address system’s errors; (ii) inadequate communication between the various offices involved in managing the travel process; and (iii) timing issues with the commitment of funds in Umoja for travel. These issues prevented the Organization from managing travel operations in an efficient and effective manner.

(8) MINUSTAH should: (i) analyze and resolve the issues related to invoice errors and funds commitment problems in the travel process; and (ii) process the backlog of payments to travel vendors.

MINUSTAH accepted recommendation 8 and stated that it has obtained funds commitment from other missions to settle payments against vendors’ charges initiated by the Mission. Documentary evidence is on file at the Mission and could be verified. Recommendation 8 remains open pending the receipt of evidence that: (i) issues related to invoice errors and funds commitment problems in the travel process have been resolved; and (ii) the backlog of payments to travel vendors have been cleared.

IV. ACKNOWLEDGEMENT

44. OIOS wishes to express its appreciation to the Management and staff of MINUSTAH, DM and DFS 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 implementation of the Umoja system in the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	The Umoja Office should ensure that: (i) the critical functions for personnel actions and bulk contract extensions are implemented in time for the deployment of the system in the third cluster; (ii) Umoja functionalities and features related to employee self-service, manager self-service, automated processes, and business intelligence reporting are implemented in time for the deployment of the system in the fourth cluster; and (iii) formal release management policies and procedures are in place for changes and updates to the Umoja system.	Critical	O	Receipt of evidence demonstrating that (i) functionalities and features related to employee and manager self-service, automated processes and business intelligence reporting have been implemented; and (ii) formal release management and procedures are in place for changes and updates to the Umoja system.	31 December 2015
2	The Umoja Office should: (i) define criteria for segregation of duties in the Umoja Extension I processes; and (ii) resolve the existing mismatch of user roles assigned in Umoja for Extension I and Foundation processes.	Critical	O	Receipt of evidence demonstrating that a baseline for ensuring segregation of duties on the basis of a matrix has been documented for UE1; segregation of duty matrix for the Foundation roles has been updated to align it with the current situation; and review has been completed with reference to separation of duties for potential conflict in Extension I processes.	31 December 2015
3	MINUSTAH, in collaboration with the Umoja Office, should: (i) review and resolve the old Umoja requests for support and implement a mechanism to ensure that pending tickets are closed in a timely manner; (ii) establish a problem management procedure to identify systemic issues and their root	Important	O	Receipt of evidence demonstrating that: (i) pending tickets have been closed; (ii) global problem management procedures have been put in place to identify systemic issues and their root causes, with focus on problem prevention.	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 MINUSTAH, DM and DFS in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of the implementation of the Umoja system in the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	causes, and focus on problem prevention; and (iii) ensure that all interface problems are routed through the Umoja Service Desk.				
4	The Umoja Office, in coordination with OPPBA, should document configuration decisions for tolerances based on a proper risk assessment.	Important	O	Receipt of evidence demonstrating that configuration decisions for tolerances have been based on a proper risk assessment.	31 December 2016
5	The Umoja Office, in coordination with OPPBA, should: (i) configure appropriate posting periods in Umoja; and (ii) enforce the process and terms defined for the conduct of month-end procedures.	Important	C	Action completed.	Implemented
6	The Umoja Office, in coordination with the affected business owners, should review the change management aspects of process weaknesses and workflows, and implement solutions in Umoja and the corresponding business processes as applicable.	Important	O	Receipt of evidence demonstrating that solutions for the change management aspects of process weaknesses and workflows have been implemented.	31 December 2015
7	The Umoja Office, prior to deploying the system in the third cluster, should improve the process to convert staff members' data.	Important	O	Receipt of evidence demonstrating that the process to convert staff members' data has been improved.	31 December 2015
8	MINUSTAH should: (i) analyze and resolve the issues related to invoice errors and funds commitment problems in the travel process; and (ii) process the backlog of payments to travel vendors.	Important	O	Receipt of evidence demonstrating that: (i) issues related to invoice errors and funds commitment problems in the travel process have been resolved; and (ii) the backlog of payments to travel vendors have been cleared.	

APPENDIX I

Management Response

United Nations



Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

TO: Mr. Gurpur Kumar, Deputy Director
A: Internal Audit Division, Office of Internal Oversight Services

DATE 2 July 2015

THROUGH: Christian Saunders, Director
S/C DE: Office of the Under-Secretary-General for Management
FROM: Mario Baez, Chief, Policy and Oversight Coordination Service
DE: Office of the Under-Secretary-General for Management

SUBJECT: **Draft report on an audit of the implementation of Umoja in the United Nations**
OBJET: **Stabilization Mission in Haiti (Assignment No. AT2014/683/01)**

1. With reference to your memorandum dated 15 June 2015, please find attached Management comments on the above subject draft report.
2. Thank you for giving us the opportunity to provide comments on the draft report.

15-01789
8 July 2015

Management Response

Draft report on an audit of the implementation of the Umoja system in the United Nations Stabilization Mission in Haiti

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	The Umoja Office should ensure that: (i) the critical functions for personnel actions and bulk contract extensions are implemented in time for the deployment of the system in the third cluster; (ii) Umoja functionalities and features related to employee self-service, manager self-service, automated processes, and business intelligence reporting are implemented in time for the deployment of the system in the fourth cluster; and (iii) formal release management policies and procedures are in place for changes and updates to the Umoja system.	Critical	Yes	The Umoja Audit Focal Point	31 December 2015	<p>(i) The whole functionality related to Personnel Action (PA) notification was deployed in time for Cluster 3 (1 June 2015). No open issues are remaining with this functionality. Bulk contract extension design and functionality is still with the Office of Human Resources Management (OHRM) and the Department of Field Support (DFS), and no request for change has been submitted to the Umoja Change Control Board. The functionality will be assessed for work effort, integration and timing of release into production and deployment.</p> <p>(ii) The functionality for Time Managers to be included in the workflow for leave requests is in Production and the number of incidents regarding this has reduced drastically. Umoja Business Intelligence (BI) additional reporting functionalities for Human Capital Management, Benefits and Travel data are fully tested and available in production. High level business requirements have been developed for Employee Self-Service (ESS)/Manager Self-Service (MSS) monitoring reports, and assuming these are prioritized, they will be</p>

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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

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						<p>ready for the November 2015 Cluster 4 deployment.</p> <p>(iii) Umoja will determine scope of activities associated with formal release management policies and procedures and implement them in 2015.</p>
2	<p>The Umoja Office should: (i) define criteria for segregation of duties in the Umoja Extension I processes; and (ii) resolve the existing mismatch of user roles assigned in Umoja for Extension I and Foundation processes.</p>	Critical	Yes	The Umoja Audit Focal Point	<p>(i) 31 December 2015</p> <p>(ii) Implemented</p>	<p>(i) Umoja will: (a) document a baseline for ensuring a segregation of duties on the basis of a matrix; (b) update the segregation of duties matrix for the Foundation roles in order to align them with the current situation; and (c) review the separation of duties for potential conflict in the Extension I processes. Review and implementation to be completed in 2015.</p> <p>(ii) Umoja is continuously reviewing and updating the role descriptions and mapping guidance to highlight roles that should not be mapped to the same users. Also, Umoja has updated the user access mapping template (particularly for Umoja for Extension I (UE1)) to embed such information. There is only a few potential for segregation of duties (SOD) issues with respect to UE1 roles and they have been contained either through the role design or user mapping. For example, in respect of the latter, OHRM and OPPBA are currently working with Umoja to update the role description and mapping guidance for HR Partner ALL/HR Partner CIC</p>

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						<p>(Customer Interaction Center) (PA.01/PA.05) and Shopping Cart Approver (SA.07a) to ensure that the Shopping Cart Approver role is not mapped to the above HR Partner roles as the system is not configured to ensure the segregation of duties between PA.01/PA.05 vs. SA.07a.</p> <p>The relevant documentary evidence has been provided to OIOS. On the basis of this evidence, Umoja requests OIOS to close this part of the recommendation.</p>
3	<p>MINUSTAH, in collaboration with the Umoja Office, should: (i) review and resolve the old Umoja requests for support and implement a mechanism to ensure that pending tickets are closed in a timely manner; (ii) establish a problem management procedure to identify systemic issues and their root causes, and focus on problem prevention; and (iii) ensure that all interface problems are routed through the Umoja Service Desk.</p>	Important	(ii) and (iii) – Yes	The Umoja Audit Focal Point	<p>(ii) 31 December 2015</p> <p>(iii) Implemented</p>	<p>(i) MINUSTAH to respond</p> <p>(ii) To be effective Information Technology Infrastructure Library (ITIL) based Problem Management must be enterprise-wide. Initial discussions have taken place to design and implement proper ITIL-based problem management for Umoja globally in 2015.</p> <p>(iii) All interface problems are routed through the Umoja Service desk. The relevant documentary evidence has been provided to OIOS. On the basis of this evidence, Umoja requests OIOS to close this part of the recommendation.</p>

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4	The Umoja Office, in coordination with OPPBA, should document configuration decisions for tolerances based on a proper risk assessment.	Important	Yes	The Umoja Audit Focal Point Deputy Controller, OPPBA	31 December 2016	The administration will evaluate the experience of the 3-way matching and apply lessons learned in this regard. However, no additional work on documentation or adjustments to configuration can be undertaken until after Cluster 5 is deployed, as our current focus needs to remain on ensuring a proper deployment of Umoja to all entities and stabilization.
5	The Umoja Office, in coordination with OPPBA, should: (i) configure appropriate posting periods in Umoja; and (ii) enforce the process and terms defined for the conduct of month-end procedures.	Important	Yes	The Umoja Audit Focal Point Deputy Director, Accounts Division, OPPBA	(i) Implemented (ii) 31 December 2015	(i) Since July 2013 Umoja has been configured with appropriate posting periods to meet month end and year end requirements. The posting periods have been figured with the fiscal year variants required to accommodate the UN's requirement for the leading ledger (OL for Volume 1) and the non-leading ledger (NL for Volume 2). The documented evidence of this configuration has been provided to OIOS. On the basis of this evidence, Umoja requests OIOS to close this part of the recommendation. As acknowledged by OIOS, there is already progress for the month-end closure procedures. The administration will develop further guidance materials on the process and conduct of month-end procedures.
6	MINUSTAH should: (i) reconcile IMIS personnel data with the Umoja data; and (ii)	Important				MINUSTAH to respond

Management Response

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Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted ? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	implement a process to ensure that the data in IMIS and Umoja is reconciled on a regular basis.					
7	The Umoja Office, in coordination with the affected business owners, should review the change management aspects of process weaknesses and workflows, and implement solutions in Umoja and the corresponding business processes as applicable.	Important	Yes	The Umoja Audit Focal Point	31 December 2015	Umoja and business owners are reviewing the change management aspects of process weaknesses and workflows. Review and implementation to be completed in 2015.
8	The Umoja Office, prior to deploying the system in the third cluster, should improve the process to convert staff members' data.	Important	Yes	The Umoja Audit Focal Point	31 December 2015	<p>The functional resources of Extension I have updated functional specifications and the conversion team updated conversion programs to address the issues identified in the MINUSTAH pilot conversions. These changes were tested during the mock conversions of Cluster 3. Validation procedures were updated to reconcile IMIS data with the data converted in Umoja.</p> <p>Umoja instructions and templates related to ad-hoc conversion into Umoja and instructions related to "once in Umoja, always in Umoja" processes for staff who are transferred from Umoja to non-Umoja environment are being developed and updated by OHRM.</p>

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9	MINUSTAH should (i) analyze and resolve the issues related to invoice errors and funds commitment problems in the travel process; and (ii) process the backlog of payments to travel vendors.	Important				MINUSTAH to respond



CONFIDENTIAL

Routine

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

DATE:

THROUGH:
S/C DE:

REFERENCE: UNHQ-AR-BOI-Memo-2-
2015-4919

FROM: Anthony Banbury, Assistant Secretary-General
DE: for Field Support

A handwritten signature in blue ink, followed by the date "29 June '15" written in blue ink.

SUBJECT: **Draft report on an audit of the implementation of the Umoja system**
OBJET: **in MINUSTAH (AT2014/683/01)**

1. I refer to your memorandum dated 15 June 2015 regarding the above-mentioned audit. Please find herewith our comments on the recommendations contained in the draft report attached as Annex I.
2. Thank you for the opportunity to comment on the draft report. We stand ready to provide any further information that may be required.

Cc: Ms. Cynthia Avena-Castillo

Management Response

Audit of the implementation of the Umoja system in the United Nations Stabilization Mission in Haiti

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2	The Umoja Office should: (i) define criteria for segregation of duties in the Umoja Extension I processes; and (iii) resolve the existing mismatch of user roles assigned in Umoja for Extension I and Foundation processes.	Critical				DFS trust that the Umoja Office will provide its comments on the recommendation.
3	MINUSTAH, in collaboration with the Umoja Office, should: (i) review and resolve the old Umoja requests for support and implement a mechanism to ensure that pending tickets are closed in a timely manner; (ii) establish a problem management procedure to	Important	Yes	Umoja Site Coordinator, MINUSTAH	Implemented	MINUSTAH, in collaboration with Umoja Support Centre (USC), is continuously working on the review and resolution of pending Umoja requests. USC is issuing daily reports from iNeed CRM and following up outstanding issues with MINUSTAH on weekly basis via

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	identify systemic issues and their root causes, and focus on problem prevention; and (iii) ensure that all interface problems are routed through the Umoja Service Desk.					VTC with Service Desk staff. Umoja Support Centre uploads monthly reports to the Communities of Practice (https://cop.dfs.un.org/UmojaSupport-NET/Default.aspx) and MINUSTAH is providing the USC with regular feedback on ticket resolution progress. A copy of the 2015 - 05 - UMOJA Production Support - Statistics Tier 1.xls will be provided to OIOS under a separate cover. Also, Umoja Support Centre is the provider of problem management services relating to Umoja systemic issues and problem prevention (ref. Umoja Production Support in iNeed Guidelines and Standard Operating Procedures v.2.5 (https://iseek-newyork.un.org/departmental_page/ineed-materials)) Furthermore, MINUSTAH continues to re-enforce the routing of all interface problems through Tier-1 Service Desk Support. Based on the above explanation, we request the closure of the recommendation.
4	The Umoja Office, in coordination with OPPBA, should document configuration decisions for tolerances based on a proper risk assessment.	Important				DFS trust that the Umoja Office and OPPBA will provide their comments on the recommendation.
5	The Umoja Office, in coordination with OPPBA, should: (i) configure	Important				DFS trust that the Umoja Office and OPPBA will provide their comments on

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	appropriate posting periods in Umoja; and (ii) enforce the process and terms defined for the conduct of month-end procedures.					the recommendation.
6	MINUSTAH should: (i) reconcile IMIS personnel data with the Umoja data; and (ii) implement a process to ensure that the data in IMIS and Umoja is reconciled on a regular basis.	Important	Closure requested	N/A	N/A	Since the Umoja roll out in July 2014, MINUSTAH no longer uses IMIS to administer their staff, therefore an overall reconciliation of information between the two systems is not required. MINUSTAH clarifies that the data exchange is only one-way at the time of data conversion from IMIS to Umoja. All post-data-conversion actions are to be administered in Umoja only. The exceptions may happen in the records administration of staff members who leave MINUSTAH to other UN entities where IMIS is still used for Time and Attendance and in such cases the requirement for data reconciliation would exist, though these exceptions may be viewed as “simultaneous data maintenance” rather than “data reconciliation”. Based on the above explanation, we request the closure of the recommendation.
7	The Umoja Office, in coordination with the affected business owners, should review the change management aspects of process weaknesses and workflows, and implement solutions in Umoja and the corresponding business	Important				DFS trust that the Umoja Office will provide its comments on the recommendation.

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	processes as applicable.					
8	The Umoja Office, prior to deploying the system in the third cluster, should improve the process to convert staff members' data.	Important				DFS trust that the Umoja Office will provide its comments on the recommendation.
9	MINUSTAH should (i) analyze and resolve the issues related to invoice errors and funds commitment problems in the travel process; and (ii) process the backlog of payments to travel vendors.	Important	Yes	OIC CFO	Implemented	MINUSTAH has obtained Funds Commitment from other missions to settle payments against vendors' charges initiated by the Mission. Documentary evidence is on file at the Mission and could be verified.