



INTERNAL AUDIT DIVISION

REPORT 2016/070

Audit of leave and attendance records
in the United Nations Assistance
Mission for Iraq

Overall results relating to the effective
management of leave and attendance records
were initially assessed as partially
satisfactory. Implementation of three
important recommendations remains in
progress

FINAL OVERALL RATING: PARTIALLY
SATISFACTORY

16 June 2016
Assignment No. AP2015/812/01

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AUDIT REPORT

Audit of leave and attendance records in the United Nations Assistance Mission for Iraq

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of leave and attendance records in the United Nations Assistance Mission for Iraq (UNAMI).
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 Human Resources Management (HRM) Section in the Kuwait Joint Support Office (KJSO), a shared service centre for UNAMI and UNAMA, is responsible for managing leave and attendance records for staff of both missions. The Section is headed by a Human Resources Operations Manager (HROM) at the P-4 level who reports to the Chief, KJSO. Two P-3, 12 Field Service and 22 national staff support the HROM. The 2015 staff budget for the HRM Section was \$3 million.
4. The HROM and the Chief Human Resources Officer in UNAMI have the authority to approve various types of leave requests submitted by 879 staff members of UNAMI through their supervisors including annual leave, maternity leave, paternity leave, official business, rest and recuperation leave, special leave without pay, uncertified sick leave and certified sick leave up to 20 working days.
5. Comments provided by the Department of Field Support (DFS) are incorporated in italics.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of UNAMI governance, risk management and control processes in providing reasonable assurance regarding the **effective management of leave and attendance records in UNAMI**.
7. The audit was included in the 2015 risk-based work plan of OIOS due to operational and financial risks related to management of leave and attendance records.
8. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this key control as one that provides reasonable assurance that policies and procedures: (a) exist to guide the management of leave and attendance records; (b) are implemented consistently; and (c) ensure the reliability and integrity of financial and operational information.
9. The key control was assessed for the control objectives shown in Table 1. One control objective shown in Table 1 as “Not assessed” was not relevant to the scope defined for this audit.
10. OIOS conducted this audit from December 2015 to March 2016. The audit covered the period from January 2014 to December 2015.

11. 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 and analytical reviews, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

12. The UNAMI governance, risk management and control processes examined were initially assessed as **partially satisfactory**¹ in providing reasonable assurance regarding the **effective management of leave and attendance records in UNAMI**. OIOS made three recommendations to address the issues identified. UNAMI established a system of recording leave and attendance, designated time and attendance monitors to verify attendance and submitted monthly attendance reports to the HRM Section. The Mission also migrated leave records of 334 international staff from the Integrated Management Information System (IMIS) to Umoja in November 2015. However, UNAMI needed to ensure that all staff members complete the relevant training courses on recording time and attendance in Umoja. KJSO needed to strengthen the leave request review and approval process especially those related to rest and recuperation leave and sick leave.

13. The initial overall rating was based on the assessment of key control presented in Table 1. The final overall rating is partially satisfactory as implementation of three important recommendations remains in progress.

Table 1: Assessment of key control

Business objective	Key control	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective management of leave and attendance records in UNAMI.	Regulatory framework	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

Regulatory framework

UNAMI established systems of recording attendance and leave

14. The administrative instruction on recording of attendance and leave (ST/AI/1999/13) requires UNAMI to establish a system of recording attendance and leave and designate time and attendance monitors to verify attendance and compliance with working hours, prepare reports on attendance and keep all relevant records.

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.

15. A review of attendance and leave records in the Field Support Suite (FSS) and interviews with key personnel in the HRM Section indicated that UNAMI and KJSO had established systems of recording attendance and leave.

16. Staff members were required to submit their leave requests in FSS for approval of their supervisors and the relevant human resources officers. The automated system maintained the attendance records, updated the leave cards and generated monthly attendance reports. The supervisors in each section designated attendance monitors who kept attendance and leave records. The monitors downloaded monthly attendance reports from FSS, reconciled them with leave records kept in the section and submitted the signed reports to the HRM Section in KJSO in the first week of the following month. Based on certified attendance sheets received from the sections, the HRM Section updated the leave records in FSS and IMIS. OIOS concluded that the system of recording attendance and leave was generally working effectively except for some observations mentioned in the present report.

Residual discrepancies in migrating leave and attendance records of international staff to Umoja were being resolved

17. The United Nations implemented Umoja, an enterprise resource planning software, which provides a harmonized and streamlined approach to various organizational functions including time management. Effective November 2015, UNAMI in conjunction with KJSO, migrated leave and attendance records of 334 international staff from IMIS to Umoja. A review of leave balance and data migration statistics provided by KJSO to the audit team on 9 March 2016 indicated that 249 of the 334 staff leave balances in Umoja and attendance record cards used for updating IMIS matched. Eighty-five balances had discrepancies, of which 45 had been resolved and 40 were being resolved.

18. While the present audit was in progress, the leave data cleansing exercise was ongoing in light of the Field Personnel Division's survey on accuracy of leave balances held after the implementation of Umoja in November 2015. Therefore, OIOS did not make a recommendation on this issue.

Adequate training needed to be provided on recording time and attendance in Umoja

19. The administrative instruction on recording of attendance and leave (ST/AI/1999/13) provides for the designation of monitors who shall verify attendance and compliance with working hours, prepare monthly attendance reports and keep all relevant records.

20. A review of 25 monthly attendance reports relating to 2014 and 2015 indicated that in 10 cases attendance monitors or section chiefs did not sign the reports, while in 18 cases staff did not sign the reports. Also, in seven cases attendance sheets had discrepancies such as showing staff present while they were on official business or annual/certified sick leave, and marking staff as on uncertified sick leave while FSS showed staff on annual leave.

21. The above exceptions occurred due to inadequate training of the time and attendance monitors. UNAMI only provided one-hour training in September 2014 in Baghdad and three other locations in Iraq and Kuwait. In addition, the section chiefs did not ensure that all staff had signed the attendance reports prior to certifying and submitting them to the HRM Section. As a result, there was an increased risk of errors and omissions in recording and reporting the attendance and leave records that could result in financial losses to the Organization. UNAMI advised that with the deployment of Umoja Extension 1 in September 2016, all staff members will be responsible for their own time management using the Employee Self-Service portal. They, therefore, needed to be trained to ensure effective operation of the controls over time and attendance.

(1) UNAMI should take action to ensure that all staff members complete the relevant training courses on recording time and attendance in Umoja.

DFS accepted recommendation 1 and stated that training was in progress. Recommendation 1 remains open pending receipt of evidence that all staff have been trained on recording their time and attendance in Umoja.

Rest and recuperation leave was taken in advance and combined irregularly with other types of leave

22. The administrative instruction on rest and recuperation (ST/AI/2011/7) requires that rest and recuperation leave may not be taken in advance or combined with home leave, family visit travel, maternity leave, paternity leave and uncertified sick leave. Where such a combination occurs, the authorized rest and recuperation should be charged to annual leave or other leave, as appropriate. The count of qualifying service will be suspended during official business outside of the duty station.

23. A review of 20 rest and recuperation leave cases indicated that in 4 cases, rest and recuperation leave was allowed between 1 and 23 days in advance against the rest and recuperation leave cycle of 28 days. In one case, the exception occurred due to non-suspension of qualifying service during official business outside the duty station while in three cases, leave was allowed without specifying any reason. In two instances, a staff member proceeded on rest and recuperation leave without prior approval of the supervisor. The supervisor rejected the leave report submitted by the staff on return to duty station. However, the HRM Section marked the staff on leave instead of unauthorized absence. This occurred due to inadequate review in the HRM Section.

24. In another three cases, UNAMI allowed staff to combine rest and recuperation leave with paternity leave. This occurred due to the approving officers and the HRM Section not properly implementing the provisions of the administrative instruction. As a result, 21 days of rest and recuperation leave needed to be charged to annual leave.

(2) KJSO should strengthen the process for reviewing rest and recuperation leave requests and provide additional guidance to staff and supervisors to eliminate instances of non-compliance.

DFS accepted recommendation 2 and stated that staff members were reminded of the rules on rest and recuperation leave through broadcasts by their respective missions. Additional training for KJSO human resources staff was expected prior to the deployment of Umoja Cluster 5. Recommendation 2 remains open pending receipt of evidence that KJSO human resources staff have been provided with additional guidance on the processing of rest and recuperation leave requests.

UNAMI and KJSO needed to strengthen reviews of documents supporting sick leave requests

25. The administrative instructions on sick leave (ST/AI/2005/3 and ST/AI/2005/3/Amend.1) provide that all sick leave must be supported by a certificate or report from a medical practitioner licensed to practice where the certificate is issued. Up to 20 working days taken cumulatively or consecutively during a 12-month period may be approved as certified sick leave by the local personnel office upon submission by the staff member of a certificate from a licensed medical practitioner or upon submission of form MS.40 duly completed and signed by the attending physician.

26. A review of 20 certified sick leave requests approved during the audit period indicated the following:

- In 15 cases, certified sick leave was combined with the approved rest and recuperation leave, home leave, family visit travel and annual leave while staff members were outside the duty station. Although staff members submitted medical certificates, there was no assurance of their authenticity. In addition, medical certificates or reports were not consistently signed or approved by the human resources officers;
- In three cases, certified sick leave was not properly updated in the leave records such as FSS and attendance record cards; and
- In one case, an MS.24 form for 29 working days (from 24 November 2014 to 6 January 2015) submitted by a staff member had evidence of alteration. The HRM Section accepted the invalid form without the Medical Director's approval due to inadequate review. Also, the attendance record card was not updated and incorrectly showed the staff as present in the mission area from 2 to 31 December 2014 and charged only eight days annual leave. As a result, staff sick leave balance was understated by 29 days.

27. The above occurred due to inadequate review of supporting documents by the HRM Section including verification of the authenticity of medical certificates up to 20 days. With the high percentage of certified sick leave combined with other leave types, there was an increased risk of false certification of sick leave. KJSO needed to analyze Umoja records, establish patterns of frequent combination of sick leave with other leave types and, in collaboration with UNAMI, devise a mechanism to conduct spot checks of the authenticity of medical certificates where there is high probability of abuse.

(3) KJSO should, in conjunction with UNAMI, take action to further strengthen reviews of documents supporting sick leave requests, including those combining sick leave with other leave types.

DFS accepted recommendation 3 and stated that the roll-out of Umoja Cluster 4 would allow the uploading of MS.40 forms to assist human resources staff in verifying and certifying/approving sick leave. Additional training for KJSO human resources staff was expected prior to the deployment of Umoja Cluster 5 for national staff and uniformed personnel. Recommendation 3 remains open pending receipt of evidence of actions implemented to strengthen the verification and approval of sick leave.

Approval process for maternity and paternity leave needed to be strengthened

28. The administrative instruction on sick leave (ST/AI/2005/2) provides that pre-delivery maternity leave may be granted for a minimum of two weeks on the basis of certification from a licensed medical practitioner or midwife, which must be approved by the Medical Director or designated medical officer. The administrative instruction on paternity leave (ST/AI/2005/2) provides that a staff member assigned to a non-family duty station is entitled to paternity leave of up to eight weeks (56 calendar days). The staff member should submit a request at least one month before commencement of the proposed leave. The request must be accompanied by a certificate indicating the expected date of delivery and subsequently supplemented by a birth certificate.

29. A review of all seven maternity leave requests approved in UNAMI during the audit period indicated that in four cases, pre-delivery leave ranging from one day to less than two weeks was approved

without a certificate from a licensed medical practitioner and approval by the Medical Director or designated medical officer.

30. A review of 14 of the 74 paternity leave requests approved indicated that leave requests were largely supported by the expected date of delivery documents or birth certificates where applicable and approved by the relevant chief human resources officer. However, in seven cases, the leave requests were submitted between 3 and 27 days prior to commencement of paternity leave. This was because some staff were not aware of leave rules and/or FSS accessibility was poor due to limited bandwidth in the mission area. In other cases, the leave requests were submitted and approved in FSS after availing the paternity leave or were not properly recorded.

31. The above also occurred due to inadequate monitoring by the HRM Section and inadequate scrutiny by the supervisors/programme managers who approved the leave requests. UNAMI and KJSO advised that it would be difficult to request a staff member to apply for maternity leave more than two weeks prior to expected date of delivery. However, KJSO undertook to further strengthen the leave approval process for maternity and paternity leave and instruct staff members to submit the leave requests in a timely manner along with requisite supporting documents. In light of the planned action, OIOS did not make a recommendation at this time.

Supporting documents for various types of leave were not consistently uploaded in FSS

32. FSS requires staff members to upload supporting documents for all types of leave such as travel authorizations, approved movement of personnel requests, immigration stamps and boarding passes, medical certificates and reports, birth certificates of children and submit leave reports as soon as they return to their duty stations.

33. A review of leave and attendance records relating to 20 staff members and interviews with key staff in the HRM Section including the HROM, KJSO indicated that relevant supporting documents were not consistently uploaded in FSS due to web accessibility issues related to limited bandwidth. For example, an analysis of 20 leave records during the audit period indicated that: (a) in 11 cases, the leave requests were not processed in FSS; (b) in 3 of the 9 remaining cases, supporting documents in FSS were incomplete; and (c) in 4 cases, the FSS leave cards were not reconciled with official business travel entered in the attendance and leave records maintained by the HRM Section.

34. In addition, the HROM considered FSS data was less reliable and preferred to maintain a parallel leave and attendance record in record cards, which were manually updated by the respective human resources focal points. Therefore, hard copies and scanned soft copies of supporting documents were filed at different locations such as personnel files or stored in the HRM Section shared drive instead of uploading in the web-based application. As a result, the FSS leave and attendance application was not effectively used.

35. OIOS did not make any recommendation as FSS was replaced with Umoja effective November 2015. Nevertheless, it would be imperative for UNAMI and KJSO to ensure that staff members upload supporting documents in Umoja in a timely manner.

V. ACKNOWLEDGEMENT

36. OIOS wishes to express its appreciation to the management and staff of UNAMI and KJSO for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of leave and attendance records in the United Nations Assistance Mission for Iraq

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	UNAMI should take action to ensure that all staff members complete the relevant training courses on recording time and attendance in Umoja.	Important	O	Submission of evidence that all staff have been trained on recording their time and attendance in Umoja.	June 2016
2	KJSO should take action to strengthen the process for reviewing rest and recuperation leave requests and provide additional guidance to staff and supervisors to eliminate instances of non-compliance.	Important	O	Submission of evidence that KJSO human resources staff have been provided with additional guidance on processing rest and recuperation leave requests.	31 December 2016
3	KJSO should take action to further strengthen reviews of documents supporting sick leave requests, including those combining sick leave with other leave types.	Important	O	Submission of evidence of actions implemented to strengthen the verification and approval of sick leave.	31 December 2016

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

³ C = closed, O = open

⁴ Date provided by DFS in response to recommendations.

APPENDIX I

Management Response



CONFIDENTIAL

Routine

TO: Ms. Muriette Lawrence-Hume, Chief, New York Audit
A: Service, Internal Audit Division, OIOS

DATE: **JUN 14 2016**

THROUGH:
S/C DE:

REFERENCE: UNHQ-AR-BOI-Memo-2-
2016-8434

FROM: Lisa Buttenheim, Assistant Secretary-General
DE: Department of Field Support

A handwritten signature in blue ink, followed by the date '14/06/16' written in blue ink.

SUBJECT: **Draft report on an audit of leave and attendance records in the United**
OBJET: **Nations Assistance Mission for Iraq (Assignment No. AP2015/812/01)**

1. I refer to your memorandum dated 26 May 2016 regarding the above-mentioned audit. Please find attached our comments on the recommendations contained in the report. In formulating our response, we have conferred with the respective officials in FPD, UNAMI and KJSO and their comments, where appropriate, have been incorporated in this reply.

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. Avena-Castillo

Management Response

AP2015/812/01 - Audit of leave and attendance records in the United Nations Assistance Mission for Iraq

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNAMI should take action to ensure that all staff members complete the relevant training courses on recording time and attendance in Umoja.	Important	Yes	Chief Human Resources Officer, UNAMI	Implemented	While training is an ongoing process, it should be noted that, with the roll-out of Umoja (C-4) in November 2015, leave requests are now approved by the Human Resource Section in real-time and on a monthly basis. In the new process, it is the staff members who self-certify as opposed to having monitors verify attendance.
2	KJSO should take action to strengthen the process for reviewing rest and recuperation leave requests and provide additional guidance to staff and supervisors to eliminate instances of noncompliance.	Important	Yes	Human Resources Operations Manager, KJSO	Fourth quarter of 2016	The roll-out of Umoja (C-4) in November 2015 introduced the "Human Resources Business Partner All Role" with access granted after extensive training for current human resources staff. The new Umoja workflow processes for approval of leave are adequate. The Umoja Employee Self Service has shifted some of the accountability for exercising leave entitlements to staff members through self-certification. Staff members are being reminded of the rules through broadcast from the respective client missions on compliance. Additional training for KJSO human resources staff is expected prior to the deployment of Umoja C-5 for National Staff and Uniform Personnel.

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

AP2015/812/01 - Audit of leave and attendance records in the United Nations Assistance Mission for Iraq

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3	KJSO should take action to further strengthen reviews of documents supporting sick leave requests, including those combining sick leave with other leave types.	Important	Yes	Human Resources Operations Manager, KJSO	Fourth quarter of 2016	The roll-out of Umoja (C-4) in November 2015 introduced the “Human Resources Business Partner All Role” with access granted after extensive training for current Human Resources Staff. The new Umoja workflow processes for approval of leave are now adequate. The system allows the loading of MS.40 form to assist Human Resources in verifying and certifying/approving sick leave. Additional training for KJSO human resources staff is expected prior to the deployment of Umoja C-5 for National Staff and Uniform Personnel. It should however be noted that KJSO cannot prevent a staff member from falling sick at the end of the other leave types as illnesses are not pre-planned. The sick leave in most cases is exercised by staff after the original leave is approved usually at the end of one type of leave or the other. In such cases, documents from a certified Medical Practitioner are usually presented post facto.