



INTERNAL AUDIT DIVISION

REPORT 2018/047

Audit of the administrative management of the Office of the Administration of Justice

The Office needed to strengthen its performance measurement system and administrative capacity, and establish procedures for timely processing of travel requests

25 May 2018
Assignment No. AH2017/900/01

Audit of administrative management of the Office of the Administration of Justice

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of administrative management of the Office of the Administration of Justice (OAJ). The objective of the audit was to assess whether OAJ established an effective programme performance measurement system and adequately managed financial and human resources. The audit covered the period from 1 January 2015 to 30 April 2017 and included performance measurement; administration of official travel, consultants, and operating expenses; and human resources management.

OAJ developed work plans and targets for programme delivery; implemented adequate controls over operating expenditures; timely completed staff performance evaluations; achieved gender parity; and facilitated staff training. OAJ also effectively coordinated with other offices and entities on the formal and informal internal justice system. The Administrative Unit of the Executive Office of the Secretary-General (EOSG) provided administrative support to the Office. However, some areas needed improvement.

OIOS made four recommendations. To address issues identified in the audit:

OAJ needed to: (a) manage operational risks and monitor the implementation of work plans; and (b) establish procedures for timely processing and review of travel requests (jointly with the Administrative Unit of EOSG).

The EOSG needed to strengthen mechanisms for assessing the Executive Director's performance without prejudice to the operational independence of OAJ, and the Administrative Unit of EOSG needed to enhance OAJ's capacity to monitor budget utilization.

OAJ accepted one recommendation and partially accepted the other. EOSG accepted both recommendations. The Offices have initiated action to implement accepted recommendations.

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Audit of administrative management of the Office of the Administration of Justice

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the administrative management of the Office of the Administration of Justice (OAJ or the Office).
2. The General Assembly, by its resolutions 61/261 and 62/228, introduced a new system for handling internal disputes and disciplinary matters in the United Nations, effective 1 July 2009. The reorganized formal administration of justice system comprises a management review of contested administrative decisions and a two-tier judicial structure: the United Nations Dispute Tribunal (UNDT) and the United Nations Appeals Tribunal (UNAT). The General Assembly also established OAJ with the rationale that “a separate Office of Administration of Justice, with operational and budgetary autonomy, would ensure the institutional independence of the system of internal justice”. OAJ, through its component units – the Office of the Executive Director, Registries of the UNDT and UNAT, and the Office of Staff Legal Assistance (OSLA), has presence in New York Headquarters and in Geneva, Nairobi, Beirut, and Addis Ababa.
3. OAJ is responsible for the overall coordination of the formal system of justice and for contributing to its functioning in a fair, transparent, and efficient manner. OAJ provides substantive, technical, and administrative support to the judges of the UNDT and UNAT through the registries and legal assistance to staff members through OSLA. OAJ is headed by an Executive Director and its organization and responsibilities are outlined in the Secretary-General’s bulletin “Organization and terms of reference of the Office of Administration of Justice” (ST/SGB/2010/3). The Executive Director is responsible for formulation and implementation of OAJ’s programme of work and management of its financial and human resources. The Office of the Executive Director also provides assistance to the Internal Justice Council.
4. The Administrative Unit of the Executive Office of the Secretary-General (EOSG) provides administrative support to the Office, which includes processing travel requests, procurement, and recruitment, and other administrative services.
5. OAJ budgets for the 2014-2015 and 2016-2017 biennia were \$19.3 million and \$18.8 million, respectively, and funded 36 posts from the regular budget. The decrease in budgetary resources in the biennium 2016-2017 was mainly due to the removal of the one-time requirement for an interim independent assessment panel approved in 2014-2015.
6. Comments provided by OAJ and EOSG are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess whether OAJ established an effective programme performance measurement system and adequately managed financial and human resources.
8. This audit was included in the 2017 risk-based work plan of OIOS due to operational risks in the administrative management of OAJ.
9. OIOS conducted this audit from June 2017 to February 2018. The audit covered the period from 1 January 2015 to 30 April 2017. Based on an activity-level risk assessment, the audit covered higher and

medium risk areas in the management of OAJ, which included performance measurement; administration of official travel, consultants, and operating expenses; and human resources management.

10. The audit methodology included: (a) interviews of key personnel, (b) reviews of relevant documentation, (c) analytical reviews of data, and (d) sample testing of 60 financial expenditures using an attribute sampling approach.

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

III. AUDIT RESULTS

A. Performance measurement system

OAJ needed to strengthen its performance measurement system

12. The Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2016/6) require establishing a strategic framework, programme budget, programme performance monitoring and reporting, as well as an evaluation system.

13. OAJ established a business objective, three expected accomplishments and five indicators of achievement in the programme budget to measure effectiveness of programme performance. The Secretary-General appointed an independent interim assessment panel (IIAP) in March 2015. The IIAP concluded that the objectives of the internal justice system had been achieved significantly and noted the special and challenging environment in which the justice system functioned. OAJ implemented the recommendations of the panel, which were approved by the General Assembly, in coordination with a group of departments, offices, and separately administered funds, programmes, and entities involved in both the formal and informal components of the internal justice system.

14. However, the following elements of the performance measurement system could be improved:

(i) *Strategic planning.* In line with other entities covered by Section 1 of the biennial programme budget, OAJ was not required to develop a strategic framework. This did not afford the Office the opportunity to outline its overall strategies for implementing its mandate. Although OAJ developed a strategy to increase outreach activities and disseminate information on the system of internal justice, it did not develop a strategy to address other aspects of its work. For example, strategy to address high opt-out rates from the voluntary staff funding mechanism. OAJ commented that the General Assembly had not requested them to develop such a strategy.

(ii) *Risk management:* OAJ did not identify and assess operational risks, develop risk responses, and establish internal controls in accordance with the Enterprise Risk Management framework. The Office stated that it did not have adequate staff capacity and expertise to conduct a comprehensive risk assessment, although it acknowledged the need to develop an effective risk management plan. To address this, OAJ needs to encourage staff to take training offered by the Office of Human Resources Management (OHRM) and facilitate periodic risk management sessions to discuss risks and mitigating measures. Lack of proper risk management procedures could lead to inadequate identification, assessment, and mitigation of operational risks that may impede the OAJ work programme.

(iii) *Annual work planning, monitoring, and reporting:* Although OAJ prepared annual work plans that identified the primary officials responsible for conducting activities and timelines for completion, there was no evidence of monitoring of the implementation of these activities. According to OAJ, the Executive Director regularly discussed performance results with the Principal Registrar and the Chief of OSLA, notwithstanding the Tribunal's and OSLA's independence, either in internal meetings or individually; however, there was no evidence of monitoring in the form of meeting agendas, periodic internal reports or documentation of emerging issues or changes in planning assumptions that would impact programme delivery. OAJ commented that the Secretary-General's reports on the administration of justice, coordinated by the Office and submitted to the General Assembly contains identified systemic issues, trends and analysis of statistics from the Tribunals/Registries and OSLA. Nevertheless, ongoing monitoring of the annual work plan is necessary for effective implementation of OAJ mandate

15. As a result, there is a risk that the OAJ programme may not be managed efficiently.

(1) OAJ should: (i) prepare a strategic plan to define strategies for achieving its objective; (ii) identify, assess, and manage operational risks; and (iii) establish procedures to monitor the implementation of work plans.

OAJ partially accepted recommendation 1 and stated that OAJ was not required to develop a strategic framework. OAJ would identify, assess and manage operational risks and establish procedures for monitoring the implementation of work plans. Recommendation 1 remains open pending receipt of evidence of OAJ's risk management and monitoring of the implementation of work plans.

The EOSG needed to strengthen accountability mechanisms for the Executive Director's performance without prejudice to the operational independence of OAJ

16. Under the United Nations accountability framework, every senior manager and staff member is expected to indicate their individual contributions towards achieving the outcomes and outputs reflected in the results-based budget framework in their respective work plans. Their performance is assessed annually based on the effectiveness of their contributions.

17. The Executive Director had not signed a Senior Manager's compact or a performance appraisal workplan with the Secretary-General and a performance evaluation was never conducted. OAJ stated that this was because of the operational independence of the Office stipulated in General Assembly resolutions 61/261 and 62/288, which emphasized its independence in the execution of its mandate. However, as the Executive Director had overall responsibility for coordinating the formal component of the administration of justice system and for managing the programme of work and resources of OAJ, his/her contributions in achieving related outcomes and outputs needed to be assessed. An inadequate performance evaluation mechanism may weaken the accountability of the Executive Director in delivering the expected accomplishments.

(2) Without prejudice to the operational independence of OAJ, the Executive Office of the Secretary-General should identify a performance evaluation mechanism for the Executive Director of OAJ in the discharge of his/her managerial and administrative responsibilities.

EOSG accepted recommendation 2. Recommendation 2 remains open pending receipt of evidence that a performance evaluation mechanism for the Executive Director of OAJ is in place.

B. Administration of official travel, consultants and operating expenses

OAJ needed to establish procedures for timely processing and review of travel requests

18. The administrative instruction on official travel (ST/AI/2013/3) stipulates that official travel must be authorized before it is undertaken and provides guidelines on the mode and standard of travel accommodation. Secretary-General's bulletin ST/SGB/107/Rev.6 stipulates rules governing payment of travel expenses and subsistence allowance in respect of members of organs or subsidiary organs of the United Nations.

19. OAJ and the Administrative Unit of EOSG applied the administrative instruction on official travel for travel of staff and UNDT judges, who exercised their functions in New York, Geneva, and Nairobi. OAJ and the Administrative Unit of EOSG also complied with the provisions of ST/SGB/107/Rev.6 regarding the travel accommodations for the UNAT judges as members of a subsidiary body of the General Assembly appointed in their personal capacity. The judges exercised their functions in New York, but traveled to Geneva or Nairobi, as required by the appeals caseload.

20. OIOS sampled 15 travel requests totaling \$194,631 out of \$1.3 million for official travel, for the audit period. The sample included travel requests by the judges for travel to plenary sessions, training courses, and reporting for official duties. Review of supporting documentation showed that the Office properly justified the business need for the travel during the authorization process. However, in three cases, the travelers submitted travel requests for approval ex post facto. In two instances, the travel requests were submitted after the OAJ officials had started their travel, while in the third case, the travel request was submitted 157 days after completion of travel. Although the Administrative Unit of EOSG subsequently authorized the travel requests, justification for the late submissions was not adequately documented.

21. A review of Umoja data from 1 December 2015 to 30 April 2017 indicated that an additional 47 out of 150 travel requests were either submitted less than the required 21 days in advance of travel or ex-post facto. Thirty-one of these requests were related to travel of staff while 16 were related to travel for judges, consultants, and meeting participants. The OAJ and the Administrative Unit of EOSG's justifications for late submissions of travel requests by staff included implementation of Umoja, exigency of services, and the need to travel on short notice.

22. Noncompliance with established travel policies may lead to OAJ not benefitting from reduced travel costs for official travel. The Administrative Unit of EOSG commented that in many cases tickets were secured by the travel service provider and the Travel Unit before the formal travel requests were finalized. However, OIOS notes that the travel service provider cannot guarantee the price of a ticket until it is issued, after the travel request has been finalized. With regards to travel of judges, OAJ commented that the judges usually requested approval for self-ticketing sufficiently in advance, but the Administrative Unit of EOSG initiated the related travel requests in Umoja taking into account other operational exigencies and priorities. As of July 2017, OAJ took over the responsibility for submitting travel requests for non-staff from the Administrative Unit of EOSG. OAJ was putting in place procedures to timely initiate travel requests for travel of judges in Umoja.

(3) OAJ and the Administrative Unit of EOSG should establish procedures for timely processing and review of travel requests.

OAJ and the Administrative Unit of EOSG accepted recommendation 3. Recommendation 3 remains open pending receipt of evidence that travel requests are processed and reviewed timely.

Controls over operating expenditures were adequate

23. The United Nations Financial Regulations and Rules (ST/SGB/2013/4) establish provisions for commitments, expenses, and disbursements.

24. OAJ expenditures were justified and supported with documentary evidence. The operating expenditures for the period reviewed included: (i) non-staff compensation and honoraria remuneration for UNDT and UNAT judges, respectively; and (ii) information technology support, training, furniture and equipment, telephone, and office supplies. The audit reviewed a sample of 45 operating expenditures totaling \$611,684 out of \$7.5 million for the period from 1 January 2015 to 30 April 2017 to assess whether incurred expenses were properly supported with documentation and timely certified and approved in accordance with United Nations Financial Regulations and Rules. Expenditures in the sample were timely certified by OAJ and authorized by the Administrative Unit of EOSG and no exceptions were noted.

25. The audit also reviewed hiring of two external contractors. OAJ adequately documented justification for the hiring and was taking steps to improve maintenance of related performance evaluation records.

26. OIOS concluded that the controls over operating expenditures were adequate.

C. Human resources management

OAJ filled vacant positions, achieved gender parity and geographical distribution of posts although recruitment time for some critical positions was protracted

27. Recruitment of staff for vacant positions should be conducted in an efficient and timely manner while maintaining gender balance and geographic representation.

28. The Office effectively filled six out of nine P-3 legal positions and one P-4 position in less than the established target of 120 calendar days using the roster.

29. However, the recruitment processes for other OAJ's critical positions such as Principal Registrar (D-1) and the Chief of OSLA (P-5) were slow and exceeded the overall 120-calendar day performance target established by OHRM. This occurred because OAJ had 12 vacancies in the period under review which put additional administrative burden on the small office; however, recruitment delays may hinder operational effectiveness of OAJ. As of the date of the audit, all vacant positions had been filled. Therefore, OIOS is not making the recommendation at this time.

30. OAJ achieved gender parity. The senior level positions of the Executive Director (D-2) and the Principal Registrar (D-1) were encumbered by one female and one male staff, respectively, and the number of female staff members encumbering the remaining 34 regular budget posts exceeded the 50 per cent target. OAJ also maintained geographical distribution of posts, with staff from 19 countries encumbering the 36 regular budget posts.

OAJ ensured timely completion of staff performance evaluations

31. According to the administrative instruction on performance management and development system (ST/AI/2010/5), all offices are expected to complete performance evaluation of staff by 30 June of each year. OAJ timely completed the performance evaluations for 34 of 35 staff members for the performance

year from 1 April 2016 to 31 March 2017. Performance evaluations for 2014-2015 performance cycle were also completed in a timely manner.

OAJ ensured compliance with financial disclosure requirements

32. The Secretary-General’s bulletin on financial disclosure and declaration of interest statements (ST/SGB/2006/6) requires staff members meeting specified criteria to file an annual financial disclosure statement or declaration of interest statement. This requirement was applied to the Office’s senior positions of the Executive Director and the Principal Registrar. The Ethics Office confirmed the Office’s compliance with the financial disclosure requirements.

OAJ facilitated training to judges and legal staff

33. Judges and staff are required to have the right competencies and skills to carry out mandated activities related to the Organization’s independent internal justice system. As a best practice, OAJ is expected to systematically assess and develop a training programme to meet staff training requirements. Judges determine their own training needs and select training programmes accordingly.

34. OAJ implemented a targeted training plan to build the competencies and skills of staff, and facilitated the training programmes of the UNDT judges. During the audit period, the Office organized 10 training courses with supplemental training resources provided by OHRM. The Office also sponsored courses offered through subscription-based online platforms and by United Nations system agencies on legal-related topics such as negotiation, advocacy skills, professional productivity, and legal writing. According to OAJ, feedback solicited from the judges and staff members on the usefulness of these courses indicated that they were relevant to the Tribunal activities. The feedback had not been documented through surveys or other tools; therefore, OIOS was unable to verify this information. Nevertheless, OIOS’ review of the training course titles and descriptions, and the different delivery methods and platforms indicated an effective approach to enhancing the competencies and skills of the judges and OAJ staff members.

The Administrative Unit of EOSG needed to strengthen OAJ’s administrative capacity to improve operational efficiency

35. Appropriate staffing resources should be allocated to perform the administrative tasks related to management of the Office’s financial and human resources to ensure efficiency and effectiveness.

36. OAJ did not have sufficient administrative capacity to support the Executive Director with the day-to-day management of the financial and human resources of the Office. Although OAJ significantly relied on the Administrative Unit of EOSG to assist with these functions, the Administrative Unit of EOSG stated that due to workload challenges, it could not always provide timely administrative services to OAJ. As a result, OAJ experienced challenges to monitor budget utilization for travel, training, consultancy, and acquisition; while the Administrative Unit experienced challenges to process UNDT and UNAT judges travel entitlements as “non-staff” officials in Umoja. The Administrative Unit of EOSG commented that efforts had been made to further train staff in Umoja to develop OAJ internal capacity to assist with the travel arrangements of UNDT and UNAT judges and members of the Internal Justice Council, as non-staff officials.

<p>(4) The Administrative Unit of EOSG should enhance OAJ’s capacity to monitor budget utilization.</p>
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The Administrative Unit of EOSG and OAJ accepted recommendation 4 subject to resource capacity. Recommendation 4 remains open pending receipt of evidence of OAJ's enhanced capacity to monitor budget utilization.

IV. ACKNOWLEDGEMENT

37. OIOS wishes to express its appreciation to the management and staff of OAJ and EOSG for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
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STATUS OF AUDIT RECOMMENDATIONS

Audit of administrative management of the Office of the Administration of Justice

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	OAJ should: (i) identify, assess, and manage operational risks; and (ii) establish procedures to monitor the implementation of work plans.	Important	O	Submission of evidence of OAJ's risk management and monitoring of the implementation of work plans.	1 September 2018
2	Without prejudice to the operational independence of OAJ, the Executive Office of the Secretary-General should identify a performance evaluation mechanism for the Executive Director of OAJ in the discharge of his/her managerial and administrative responsibilities.	Important	O	Submission of evidence that a performance evaluation mechanism for the Executive Director of OAJ is in place.	31 December 2018
3	OAJ and the Administrative Unit of EOSG should establish procedures for timely processing and review of travel requests.	Important	O	Submission of evidence that travel requests are processed and reviewed timely.	1 September 2018
4	The Administrative Unit of EOSG should enhance OAJ's capacity to monitor budget utilization.	Important	O	Submission of evidence of OAJ's enhanced capacity to monitor budget utilization.	1 September 2018

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 OAJ and EOSG in response to recommendations.

APPENDIX I

Management Response

AU/EOSG and OAJ Comments on Draft Report

1. The Administrative Unit in the Executive Office of the Secretary-General (AU/EOSG) and the Office of Administration of Justice (OAJ) hereby provide their joint comments on the draft report on an audit of the administrative management of the Office of the Administration of Justice, Assignment No. AH2017/900/01.

Executive Summary

2. A distinction should be made between the Administrative Unit in the Executive Office of the Secretary-General (AU/EOSG) and the Executive Office of the Secretary-General as an office (EOSG). The AU/EOSG provides administrative support to OAJ while the EOSG represents the substantive office of the Secretary-General.

3. Hence, it is requested that the two recommendations currently addressed to the EOSG be split. While the first recommendation should remain addressed to the EOSG, the second recommendation should be addressed to the AU/EOSG.

Paragraph 14(i)

2. Paragraph 14(i) notes that although OAJ developed a strategy to increase its outreach activities, it did not develop a strategy to address other aspects of its work, for example, strategy to address high opt-out rates from the voluntary supplemental funding mechanism. OAJ notes that there is no requirement for such a strategy to be developed. While the Assembly has encouraged the Secretary-General to strengthen incentives for staff not to opt-out of the mechanism, it has not requested that this be done (A/RES/72/256, para. 29). At this point, the General Assembly only requested that the issue of high percentage of self-represented litigants be analysed (A/RES/72/256, para. 35). Once that is done, it will be up to the Assembly to decide whether any steps should be taken to address the matter.

Paragraph 22, page 4

11. It is stated that “[n]oncompliance with established travel policies may lead to OAJ not benefitting from reduced travel costs for official travel.” However, it should be noted that in many cases that tickets are secured by AMEX and the Travel Unit with the airlines before the formal travel requests are finalized. Further, AU/EOSG created the travel requests in Umoja on behalf of the judges at the earliest, taking into account other operational exigencies and priorities.

Recommendation 4

3. Our comment in recommendation 4 should read “OAJ accepted recommendation 4 subject to its resources capacity”.

Management Response
Audit of administrative management of the Office of the Administration of Justice

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	OAJ should: (i) prepare a strategic plan to define strategies for achieving its objective; (ii) identify, assess, and manage operational risks; and (iii) establish procedures to monitor the implementation of work plans.	Important	Yes, in part	Executive Director, OAJ	1 September 2018	In line with other entities covered by Section 1 of the biennial programme budget, OAJ is not required to develop a strategic framework. OAJ will identify, assess and manage operational risk and establish procedures for monitoring the implementation of work plans by 1 September 2018.
2	Without prejudice to the operational independence of OAJ, the Executive Office of the Secretary-General should identify a performance evaluation mechanism for the Executive Director of OAJ in the discharge of his/her managerial and administrative responsibilities.	Important	Yes	Director of the Office of the Chef de Cabinet, EOSG	31 December 2018	EOSG anticipates that the recommendation can be implemented by 31 December 2018.
3	OAJ and the Administrative Unit of EOSG should establish procedures for timely processing and review of travel requests.	Important	Yes	Executive Director, OAJ and Executive Officer of the EOSG	1 September 2018	OAJ and AU/EOSG anticipate that this recommendation can be implemented by 1 September 2018.
4	The Administrative Unit of EOSG should enhance OAJ's capacity to monitor budget utilization.	Important	Yes	Executive Officer of the EOSG	1 September 2018	OAJ agrees with this recommendation, subject to its resource capacity. AU/EOSG anticipates that the recommendation can be implemented by 1 September 2018.

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.