



## **INTERNAL AUDIT DIVISION**

### **AUDIT REPORT 2013/110**

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#### **Audit of administrative management of the Office of the United Nations Ombudsman and Mediation Services in the United Nations Secretariat**

**Overall results relating to the effective and efficient administrative management of the Office of the United Nations Ombudsman and Mediation Services in the United Nations Secretariat were initially assessed as partially satisfactory. Implementation of four important recommendations remains in progress.**

**FINAL OVERALL RATING: PARTIALLY  
SATISFACTORY**

**5 December 2013  
Assignment No. AH2012/516/01**

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# AUDIT REPORT

## Audit of administrative management of the Office of the United Nations Ombudsman and Mediation Services in the United Nations Secretariat

### I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of administrative management of the Office of the United Nations Ombudsman and Mediation Services in the United Nations Secretariat (UNOMS or the Office).

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. United Nations Ombudsman and Mediation Services are headed by an Assistant Secretary-General. UNOMS consists of three pillars and provides conflict resolution services to three main constituencies: (a) the staff of the United Nations Secretariat, including those in field operations; (b) the staff of United Nations High Commissioner for Refugees; and (c) the staff of the funds and programmes (the United Nations Development Programme, the United Nations Population Fund, the United Nations Children's Fund, the United Nations Office for Project Services and the United Nations Entity for Gender Equality and the Empowerment of Women). Each constituency is served by dedicated ombudsmen as established and administered by their respective entities. The audit scope covered only the United Nations Secretariat administered pillar of UNOMS.

4. This pillar serving the United Nations Secretariat and field operations is headquartered in New York. UNOMS has seven regional branches located in Bangkok, Entebbe, Geneva, Kinshasa, Nairobi, Santiago, and Vienna. Each branch is headed by a regional ombudsman. The Secretariat pillar received funding from the regular and support account budgets. The regular budget was \$6.2 and \$6.8 million for the biennium 2010-2011 and 2012-2013 respectively. The support account budget was \$1.5, \$1.8 and \$1.7 million for 2010/11, 2011/12 and 2012/13 respectively. UNOMS had 21 posts financed from the regular budget and seven financed from the support account budget. It was supported by the Administrative Office of the Executive Office of the Secretary-General (EOSG), which assisted UNOMS with budget submissions and processed travel requests, personnel actions, and consultancy contracts.

5. Comments provided by UNOMS and EOSG are incorporated in *italics*.

### II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of governance, risk management and control processes in providing reasonable assurance regarding **the effective and efficient administrative management of UNOMS in the United Nations Secretariat**.

7. 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: (i) exist to guide the operations of UNOMS in the area of administrative management; (ii) are implemented consistently; and (iii) ensure reliability and integrity of financial and operational information.

8. 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.

9. OIOS conducted this audit from 23 January to 22 March 2013. The audit covered the period from 1 January 2011 to 31 December 2012.

10. 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. The audit reviewed UNOMS activities pertaining to budget management, travel, training and hiring of consultants.

### III. AUDIT RESULTS

11. The governance, risk management and control processes examined were assessed as **partially satisfactory** in providing reasonable assurance regarding **the effective and efficient administrative management of UNOMS in the United Nations Secretariat**. OIOS made five recommendations in the report to address issues identified in the audit. UNOMS prepared its proposed budgets in accordance with the Controller’s instructions. OIOS concluded that UNOMS had not fully established a mechanism to monitor one out of two indicators of achievements stipulated in the budget. While travel requests were generally submitted properly, oversight over travel requests needed strengthening. OIOS could not obtain documented evidence of approvals for 11 out of 50 trips reviewed (22 per cent). Forty-eight per cent of UNOMS travel requests were submitted less than 14 days before expected travel contrary to the Department of Management’s guidance. The expenditures for travel, training and consultants were recorded correctly by the Administrative Office of EOSG. OIOS reviewed the use of consultants by UNOMS. The hiring of consultants was in compliance with the established procedures. The consultants were paid based on the certified time sheets, and the performance evaluation of consultants was done in a timely manner. OIOS review of the training expenditures showed that they were properly authorized and recorded. The management has taken action to implement one recommendation that was closed in the OIOS database.

12. The initial overall rating was based on the assessment of the key control presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of four 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 and efficient administrative management of UNOMS in the United Nations Secretariat	(a) Regulatory framework	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory

## A. Regulatory framework

### The Secretary-General's bulletin on the Office of Ombudsman was outdated

13. The Secretary-General's bulletin outlining the terms of reference for the Office of Ombudsman was dated 15 October 2002 and did not reflect the changes related to the new system of Administration of Justice approved by the General Assembly's resolution 62/228.

14. Furthermore, General Assembly resolution 66/237 requested the Secretary-General to work with the United Nations funds and programmes to finalize revised terms of reference for UNOMS that reflect the responsibility of the United Nations Ombudsman for the oversight of the entire Office and enhancement of coordination among the three pillars of the Office. EOSG noted that it became directly involved in November 2011 through the establishment of a working group. While that group submitted a report, differences of views between different stakeholders remained and the revised terms of reference had not been finalized.

**(1) EOSG should expedite the review and finalization of the terms of reference for UNOMS.**

*EOSG accepted recommendation 1 and stated that consultations with stakeholders are ongoing and EOSG is seeking to expedite finalization and promulgation of the terms of reference by 31 March 2014. Recommendation 1 remains open pending issuance of the terms of reference for UNOMS.*

### Monitoring of one out of two indicators of achievement required improvement

15. OIOS reviewed UNOMS proposed budgets, budget allotments and Integrated Management Information System summary expenditure performance reports and concluded that the Office was in compliance with the established procedures.

16. OIOS reviewed the reports of the Secretary-General on the performance of UNOMS in relation to its regular and support account budgets. The regular budget contained the following two indicators of achievement: (a) number of conflicts referred to the Ombudsman in which the Ombudsman assisted or facilitated resolution; and (b) in 100 per cent of the received cases, action and review is initiated within 30 days. The support account budget only contained performance indicator (b).

17. UNOMS monitored indicator of achievement (a) through a confidential case database and reported on actual performance in the report of the Secretary-General on "Activities of the Office of the United Nations Ombudsman and Mediation Services". This report stated that 1,588 cases were received by UNOMS from staff of the United Nations Secretariat against the target of 2,000 cases stipulated in the budget.

18. UNOMS also reported on the actual performance of its indicator of achievement (b) in the budget performance report of the support account for peacekeeping operations. The report for the period from 1 July 2010 to 30 June 2011 stated that initial action was taken within 30 days in 95 per cent of the cases received. The audit could not verify this information because UNOMS did not have a log or other tracking mechanism to record and monitor the information on the timeliness of actions. UNOMS informed OIOS that it monitored this indicator through case assessment meetings, information on delays from regional ombudsmen and case officers, as well as complaints received by clients. In OIOS opinion, these monitoring mechanisms were not effective considering that UNOMS received over a thousand cases a year.

**(2) UNOMS should maintain performance data to adequately support and demonstrate monitoring of the indicator of achievement pertaining to timeliness of action on cases received.**

*UNOMS accepted recommendation 2 and stated that it conducted a survey of clients between January and June 2013 to assess whether the indicator had been achieved. The evaluation of client feedback has validated the information provided with regard to the indicator. However, UNOMS has temporarily suspended the indicator until the feasibility of collecting the necessary data on a continuous basis could be confirmed. Recommendation 2 remains open pending documentary evidence confirming that a mechanism exists to monitor the indicator of achievements stipulated in the budgets.*

#### Oversight over travel needed strengthening

19. Staff rules 107.6 and 307.2 stipulate that all official travel must be authorized in writing before it is undertaken. In exceptional cases, staff members may be orally authorized to travel and in such cases, written confirmation is required. Furthermore, a staff member shall be personally responsible for ascertaining that he or she has the proper authorization before commencing travel. OIOS reviewed 61 per cent of all travel expenditures in 2011-2012 and observed that 39 out of 50 trips reviewed were supported by documented approvals by authorized officials. The 11 trips that were missing evidence of documented approvals related to travel which required authorization from EOSG. The Administrative Office of EOSG informed OIOS that those travels were processed based on requests for travel forms, with the expectation that EOSG approvals would be eventually received. UNOMS commented that it was its understanding that the travel only occurred after the necessary approvals were received; however, the UNOMS, EOSG and Administrative Office of EOSG could not provide copies of approvals pertaining to these 11 trips. UNOMS provided OIOS with evidence that it requested EOSG approval for eight of the 11 trips. EOSG informed OIOS that they reviewed UNOMS submissions and noted that some memorandums regarding staff travel requests were sent to EOSG for authorization and some for information. In the latter case, submissions would not have been treated as items requiring action and this could have contributed to some travels missing documented approval. EOSG and UNOMS commented that they will clarify the expectations regarding authorization of staff travel.

20. OIOS noted that some requests for travel to conferences and trainings were not accompanied by conference brochures or registration confirmations. Although the training and conference brochures were provided by UNOMS at OIOS request, they were not reviewed or retained by the Administrative Office of EOSG. EOSG's review and retention of supporting documents would improve the oversight over such travels.

**(3) The Administrative Office of EOSG should introduce measures for ensuring that (i) all UNOMS travel requests are authorized in writing to support travel expenditures; and (ii) record keeping pertaining to travel, including the purpose and the duration of travel, is consistently maintained to support authorization for all UNOMS travel expenditures.**

*EOSG accepted recommendation 3 and stated that on 13 September 2013 it had issued instructions to UNOMS requiring written authorization and adequate supporting documentation for travel. Based on the action taken by EOSG, recommendation 3 has been closed.*

21. The administrative instruction on official travel (ST/AI/2006/4) requires that official travel by senior officials shall be reported to EOSG. The report shall include funds spent on official travel every six months. UNOMS was not in compliance with this requirement as it was never requested by EOSG.

EOSG commented that the reporting requirement on funds spent on official travel by senior officials needs to be reviewed.

**(4) EOSG should review whether provisions of the administrative instruction on official travel of senior officials are still applicable and either ensure compliance or amend the administrative instruction.**

*EOSG accepted recommendation 4 and stated that it is initiating a review of the provisions of administrative instruction on official travel pertaining to senior officials. This review will take into account the possible impact of the ongoing implementation of Umoja system. Recommendation 4 remains open pending submission by EOSG of the results of the review.*

22. The audit also noted that 48 per cent of travel requests reviewed were submitted less than 14 days before travel, contrary to the Department of Management guidance of 17 May 2011. According to the Department of Management, airfares rise dramatically if ticketed less than two weeks prior to departure. UNOMS concurred that more needs to be done to allow sufficient time for approval and ticketing of planned travel but noted that its mandate requires it to respond to unforeseen conflict situations at short notice and that there would still be cases of exigency for rapid response on conflict resolution and mediation missions.

**(5) UNOMS should introduce measures to improve and monitor compliance with the Department of Management guidelines on advance booking of air tickets.**

*UNOMS accepted recommendation 5 and stated that it has circulated a reminder to all staff regarding the timeline for processing of travel and is monitoring compliance. Recommendation 5 remains open pending submission by UNOMS of the measures to improve and monitor compliance with the Department of Management guidelines on advance booking of air tickets.*

#### Hiring of consultants was in compliance with established procedures

23. UNOMS had two types of services delivered by the consultants: on-call mediators and an independent external review to assess the effectiveness of services delivery to staff. UNOMS developed terms of reference for consultants and was in compliance with the established procedures regarding the selection of consultants. OIOS reviewed the use of consultants and concluded that consultants were paid based on the certified time sheets and performance evaluation of consultants was done periodically.

#### Expenditures for training and related travel were properly authorized and recorded

24. OIOS reviewed training expenditures and related travel and concluded that they were properly authorized and recorded. OIOS reviewed external studies application forms and certificates of completion from staff members.

## **IV. ACKNOWLEDGEMENT**

25. OIOS wishes to express its appreciation to the Management and staff of UNOMS and EOSG 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 administrative management of the Office of the United Nations Ombudsman and  
Mediation Services in the United Nations Secretariat**

Recom. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
1	EOSG should expedite the review and finalization of the terms of reference for UNOMS.	Important	O	Issuance of the terms of reference for the Office of Ombudsman and Mediation Services.	31 March 2014
2	UNOMS should maintain performance data to adequately support and demonstrate monitoring of the indicator of achievement pertaining to timeliness of action on cases received.	Important	O	Submission by UNOMS of the documentary evidence confirming that a mechanism exists to monitor the indicator of achievements stipulated in the budgets	30 July 2014
3	The Administrative Office of EOSG should introduce measures for ensuring that (i) all UNOMS travel requests are authorized in writing to support travel expenditures; and (ii) record keeping pertaining to travel, including the purpose and the duration of travel, is consistently maintained to support authorization for all UNOMS travel expenditures.	Important	C		
4	EOSG should review whether provisions of the administrative instruction on official travel of senior officials are still applicable and either ensure compliance or amend the administrative instruction.	Important	O	Submission by EOSG of the results of the review of the provisions of the administrative instruction on official travel pertaining to senior officials.	30 June 2014
5	UNOMS should introduce measures to improve and monitor compliance with the Department of Management guidelines on advance booking of air tickets.	Important	O	Submission by UNOMS of the measures to improve and monitor compliance with the Department of Management guidelines on advance booking of air tickets.	31 December 2013

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> C = closed, O = open

<sup>4</sup> Date provided by [client] in response to recommendations. [Insert "Implemented" where recommendation is closed; (implementation date) given by the client.]



# **APPENDIX I**

## **Management Response**

## MANAGEMENT RESPONSE

**Audit of administrative management of the Office of the United Nations  
Ombudsman and Mediation Services in the United Nations Secretariat**

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	EOSG should expedite the review and finalization of the terms of reference for UNOMS.	Important	Yes	Chef de Cabinet	31 March 2014 (anticipated)	Consultations with stakeholders required with respect to revised terms of reference are ongoing. EOSG is seeking to expedite finalization and promulgation of the terms of reference.
2	UNOMS should maintain performance data to adequately support and demonstrate monitoring of the indicator of achievement pertaining to timeliness of action on cases received.	Important	Yes	Director of Office, Ombudsman and Mediation Services	30 July 2014	Since the issuance of the recommendations the indicator of achievement has been modified. In order to assess whether the indicator had been achieved OMS conducted a survey of clients between January to June 2013. The evaluation of client feedback has validated the information provided with regard to the indicators. However, OMS has temporarily suspended the indicator until the feasibility of collecting the necessary data on a continuous basis is confirmed.

<sup>1</sup> 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.

<sup>2</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

## MANAGEMENT RESPONSE

**Audit of administrative management of the Office of the United Nations  
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Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
3	The Administrative Office of EOSG should introduce measures for ensuring that (i) all UNOMS travel requests are authorized in writing to support travel expenditures; and (ii) record keeping pertaining to travel, including the purpose and the duration of travel, is consistently maintained to support authorization for all UNOMS travel expenditures.	Important	Yes	Director, Office of the Chef de Cabinet	Action completed	Instructions issued by Director, Office of the Chef de Cabinet (13 September 2013) to ensure that administrative arrangements for travel are not taken without written authorization and adequate supporting documentation in respect of UNOMS travel. It is recognized, however, that, on occasion, confidentiality requirements may impact on the level of detail that can be provided by UNOMS.
4	EOSG should review whether provisions of the administrative instruction on official travel of senior officials are still applicable and either ensure compliance or amend the administrative instruction.	Important	Yes	Director, Office of the Chef de Cabinet	30 June 2014	EOSG is initiating a review of the provisions of the administrative instruction on official travel as pertain to senior officials. This review will take into account, <i>inter alia</i> , the possible impact of the ongoing implementation of Umoja system.
5	UNOMS should introduce measures to improve and monitor compliance with the Department of Management guidelines on advance booking of air tickets.	Important	Yes	Director of Office, Ombudsman and Mediation Services	31 December 2013	OMS has already circulated a reminder to all staff regarding the timeline for processing of travel and is monitoring compliance. However, as noted earlier to IAD it is inevitable that staff may periodically need to travel on

MANAGEMENT RESPONSE

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Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						short notice in cases of ad-hoc requests from management that relate to high-risk situations. OMS will indicate these occasions on the travel requests.