



## INTERNAL AUDIT DIVISION

### REPORT 2017/109

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Audit of education grant disbursement  
at the United Nations Office at  
Nairobi, the United Nations  
Environment Programme and the  
United Nations Human Settlements  
Programme

There was need to strengthen controls in the  
administration of education grant  
entitlements

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# **Audit of education grant disbursement at the United Nations Office at Nairobi, the United Nations Environment Programme and the United Nations Human Settlements Programme**

## **EXECUTIVE SUMMARY**

The Office of Internal Oversight Services (OIOS) conducted an audit of education grant disbursement at the United Nations Office at Nairobi (UNON), the United Nations Environment Programme (UNEP) and the United Nations Human Settlements Programme (UN-Habitat). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the management of education grant disbursement at UNON, UNEP and UN-Habitat. The audit covered the period from 1 January 2015 to 30 April 2017 and included a review of: (i) processing of education grant advances and claims; (ii) roles and responsibilities; (iii) delegation of authority; (iv) information system used for processing of the education grant; and (v) performance monitoring.

The audit identified a number of areas requiring strengthening of controls in the administration of education grant entitlements.

OIOS made 14 recommendations. To address issues identified in the audit, UNON needed to:

- Strengthen its review mechanisms to ensure that education grant advances paid to staff were accurate, and that errors were identified and rectified in a timely manner;
- Identify the recipients of the education grant advances of \$32,763 and rectify the control deficiencies in the system that caused the advances to be processed but not received by the concerned staff;
- Strengthen its review and approval processes for education grant claims to ensure that errors and omissions are identified and corrected in a timely manner, and review the overpayments of \$18,772 and potential underpayment of \$71,561 for appropriate corrective action;
- Establish procedures for future education claims which ensure that all documents including P.41 forms are filed in the web-based portal to provide a complete audit trail for the claims disbursed, and applicable instructions regarding alterations to supporting documents are strictly complied with;
- Obtain documentation exempting the ineligible staff to receive education grant or recover \$5,987 from the staff if such documentation is not available;
- Implement Section 19 of ST/IC/2014/12/Rev.1. which requires staff members to provide documentary proof for flat sums for board and textbooks, request the concerned staff members to provide, within a reasonable time, documentary proof for the flat sums for board and textbooks paid to them, and deduct any flat sums paid without the required documentary proof;
- Implement Section 4.2 of ST/AI/2011/4 which requires the amount of grant to be 75 per cent of boarding expenses, excluding the flat sum for board; and recover \$9,805 that was overpaid to the staff due to misapplication of Section 4.2 of ST/AI/2011/4;
- Recover \$7,597 from the staff relating to summer courses that did not meet the admissibility requirements outlined in Section 3.5 (f) of ST/AI/2011/4;
- Ensure that payments for special education grant are based on certification by Medical Services Division; require staff to provide certification from the Medical Services Division for the special education grants that were not adequately supported; and recover \$61,410 from the staff if the required certification is not provided;

- Ensure that all education grant travel requests are completed at least 16 days before the travel date in accordance with the principle enunciated in ST/AI/2013/3 on Official Travel;
- Liaise with the Office of Human Resources Management and document a policy on the treatment of exchange rate fluctuations arising from disbursement of education grants;
- Review, correct and update all data in Umoja and the web-based portal used for receiving education grant documents to ensure that the information in the two systems is accurate and up to date;
- Investigate all duplicate education grant outstanding balances in Umoja and resolve them to mitigate the risk of fraud or error, and recover \$3,555 overpaid to a staff member as a result of a duplicate account; and
- Establish performance monitoring and utilize the Umoja reporting tools to assess the efficiency, effectiveness and timeliness of education grant disbursement.

UNON accepted the recommendations and has initiated action to implement them.

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# **Audit of education grant disbursement at the United Nations Office at Nairobi, the United Nations Environment Programme and the United Nations Human Settlements Programme**

## **I. BACKGROUND**

1. The Office of Internal Oversight Services (OIOS) conducted an audit of education grant disbursement at the United Nations Office at Nairobi (UNON), the United Nations Environment Programme (UNEP) and the United Nations Human Settlements Programme (UN-Habitat).
2. UNON was established by the General Assembly in 1996 to provide common administrative and support services to UNEP, UN-Habitat and other organizations of the United Nations system in Kenya. It was mandated to manage and implement programmes of administration, conference services and public information and provide security and safety services for United Nations staff and facilities at UNON.
3. One of the key services provided by UNON is the management of the education grant scheme for members of staff of UNON, UNEP and UN-Habitat. This was done by the Staff Pay and Benefits (SPnB) Section within the UNON Human Resources Management Service (HRMS). The Section had a total of 36 staff including 10 staff to process education grants, among other duties. The staff reported to the Chief, SPnB who in turn reported to the Acting Chief, HRMS.
4. Between 1 January 2015 and 30 April 2017, 1,454 education grant disbursements totaling \$17.1 million were made to 785 staff of UNON, UNEP and UN-Habitat. In 2015, 676 grants amounting to \$8.1 million were disbursed to 364 staff and in 2016, 762 grants worth \$8.9 million were disbursed to 411 staff. From 1 January to 30 April 2017, 16 grants were disbursed to 10 staff amounting to \$133,573.
5. Until 2017, admissible costs that qualified under education grant included tuition, tuition in the mother tongue, enrollment related fees, capital assessment fees, daily school transportation, cost of text books, special equipment and education travel. Education grant also covered dependents who had special needs. Admissible costs were subject to a reimbursable rate of 75 per cent after excluding scholarships, bursaries or other similar grants.
6. By resolution 70/244, the General Assembly approved a revised education grant scheme which would apply to the school year in progress from 1 January 2018.
7. Comments provided by UNON are incorporated in italics.

## **II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY**

8. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over the effective management of education grant disbursement at UNON, UNEP and UN-Habitat.
9. This audit was included in the 2017 risk-based work plan of OIOS due to the risks associated with education grant disbursements, including the risk of fraud.
10. OIOS conducted this audit from May to July 2017. The audit covered the period from 1 January 2015 to 30 April 2017. Based on an activity-level risk assessment, the audit covered risk areas in the disbursement of the education grant which included: processing of advances and claims (tuition,

educational expenses, boarding expenses, accommodation if school is within the duty station country, textbook expenses, mother tongue and private tuition, summer courses, the treatment of scholarships, education grant travel and special education grant); roles and responsibilities; delegation of authority; information system used for the processing of education grants; and performance monitoring.

11. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; (d) testing of judgementally selected sample of transactions; and (e) confirmation of the information provided by staff members in form P.41.

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

### **III. AUDIT RESULTS**

#### **A. Processing of education grant advances and claims**

##### **i. Education grant advances**

##### **Overpayment of education grant advances**

13. Section 4.1 (a) of ST/AI/2011/4 on “Education grant and special education grant for children with a disability” provides that education grant shall be 75 per cent of the admissible costs of attendance up to the maximum per year specified in the Annex to the instruction. Section II of ST/IC/2014/12/Rev.1 on the same subject outlines the conditions for payment of education grant advances and states in Section 5 that education grant advances for subsequent school years will normally be 100 per cent of the amount paid for the previous year unless lower admissible costs are anticipated.

14. From a review of a sample of 148 education grant advances for 78 staff, OIOS identified 17 advance payments to 15 staff which were more than what they were entitled to. The amount thus overpaid was \$155,416. The overpayments were a result of erroneous computation of amounts due to staff, transposition errors during data capture, and misapplication of exchange rates during conversion from local currencies. OIOS noted one instance where the staff member was paid more than 10 times what he had requested and another instance where a staff member was paid two education grant advances that were almost seven times the amount requested.

15. For six staff members, the advance payments exceeded the maximum allowable limit stipulated in the Annex to ST/AI/2011/4 by \$53,691. Two out of these six staff alerted UNON HRMS of the overpayments but no action was taken until 12 months later when the amounts were finally recovered.

16. UNON HRMS stated that the SPnB Section faced various challenges during the period under review. There was a delay in rolling out the education grant module within Umoja which affected the processing of claims and advances. The delays resulted in the Section processing the 2015-2016 education grant advances before processing the claims for 2014-2015. The module, which was implemented in June 2015, was also subjected to numerous reviews and adjustments and there were delays in receiving the job aids. Processing of claims and advances was also affected by exchange rate fluctuations, conversion of records from the previous system used to process claims and advances, processing of supplementary payments and application of proration when staff members changed duty stations, all of which required retroactive adjustments and corrections. OIOS takes note of these explanations but is of the view that UNON needs to strengthen controls to prevent recurrence of errors in computation/payment of education grant advances.

**(1) UNON should strengthen its review mechanisms to ensure that education grant advances paid to staff are accurate, and that errors are identified and rectified in a timely manner.**

*UNON accepted recommendation 1 and stated that review mechanisms and regular monitoring were being put in place by UNON HRMS to address this recommendation. Recommendation 1 remains open pending receipt of evidence that review mechanisms have been strengthened to ensure that education grant advances paid to staff are accurate and that errors are identified and rectified in a timely manner.*

#### Need for timely disbursement of education grant advances

17. According to Section 9 of ST/IC/2014/12/Rev.1, education grant advances should be paid approximately one month prior to the beginning of the school year, provided the relevant information is received at least two months prior to the beginning of the school year.

18. From a sample review of 350 staff who received education grant advances for the 2016-2017 school year, OIOS noted that 196 staff were paid 335 education grant advances after the school year had begun. Further review of 20 such delayed advances showed that 13 were due to staff delays in submitting the required documents whereas the remaining seven were caused by delays at UNON HRMS in processing the advances. OIOS also identified 16 cases where staff were paid 21 education grant advances more than two months before the due date, with some receiving their advances three and a half months before the school year could begin.

19. UNON HRMS explained that it was granted flexibility to process education grant advances earlier than the required one month period outlined in ST/IC/2014/12/Rev.1 depending on individual circumstances and based on school requirements. Further, under the new education grant scheme that would apply to the school year in progress from 1 January 2018, requests for education grant advances could be submitted prior to or within four months after the beginning of the school year. OIOS is concerned that the broad discretion indicated by UNON in processing of advances long before they became due could be misused. In view of the changes that would apply from 1 January 2018 on processing of education grant advances, OIOS did not make a recommendation on this matter.

#### Non-remittance of education grant advances to staff

20. ST/AI/2011/4 and ST/IC/2014/12/Rev.1 outline the conditions for payment of advances, including the requirement to accurately compute admissible costs and pay only eligible staff approximately one month prior to the beginning of the school year.

21. From a review of the sample of 148 education grant paid to staff members, OIOS identified three advances totaling \$32,763 which were processed by UNON HRMS and recorded in the Umoja Central Component (ECC) as disbursed. However, the staff to whom the disbursements should have been made did not receive the advances, and OIOS was unable to trace where the payments went.

22. Without mechanisms to detect and avert instances where education grant advances are processed but not paid to the intended staff, UNON HRMS was at risk of losing funds through fraud as advances and claims could be paid to unintended staff or beneficiaries. There was also the risk that recoveries would be made from staff members for education grant advances that were not actually received by them.

**(2) UNON should identify the recipients of the education grant advances of \$32,763 and rectify the control deficiencies in the system that caused the advances to be processed but not received by the concerned staff.**

*UNON accepted recommendation 2 and stated that the cases were undergoing review by UNON HRMS. Recommendation 2 remains open pending receipt of evidence that: (i) education grant advances of \$32,763 have been paid to the appropriate beneficiaries; and (ii) controls have been established to ensure that processed education grant advances are received by the concerned staff.*

ii. Tuition

Need to rectify computation errors and inclusion of inadmissible expenses in education grant claims

23. Tuition amounting to \$14.1 million formed the bulk of education grant expenses totaling \$17.2 million disbursed between 1 January 2015 and 30 April 2017. OIOS reviewed a sample of 148 education grant disbursements made to 78 staff of UNON, UNEP and UN-Habitat to determine whether education grant disbursements included only the admissible expenses outlined in ST/AI/2011/4 and ST/IC/2014/12/Rev.1.

24. OIOS review showed that 12 education grant disbursements made to eight staff included inadmissible expenses (such as stationery costs, insurance costs, and costs pertaining to supervision of dependents) amounting to \$18,772. In addition, there were instances of understatement of scholarship amounts, transposition errors when computing admissible expenses, and inadequate documentation to support expenses towards books that were included as admissible. OIOS also identified two education grants disbursed to a staff member which appeared to be significantly lower than what was indicated in the supporting documents. The staff member was paid only \$15,617 for her two children studying in a university overseas whereas the documentation provided by her appeared to show that she was entitled to \$87,178 towards education grant claims for her two children, reflecting a potential underpayment of \$71,561.

25. The overpayment and underpayment of education grants resulted in eligible staff not receiving the correct amounts which they were entitled to. There was also a risk that the over- and underpaid amounts may be higher if extrapolated to cover the entire population of claims disbursed.

**(3) UNON should: (i) strengthen its review and approval processes for education grant claims to ensure that errors and omissions are identified and corrected in a timely manner; (ii) review the overpayments of \$18,772 and potential underpayment of \$71,561 for appropriate corrective action.**

*UNON accepted recommendation 3 and stated that a review of potential overpayments and underpayments was ongoing, and that corrective actions were already being processed upon confirmation of findings. Recommendation 3 remains open pending receipt of evidence that: (i) review and approval processes for education grant claims have been strengthened for timely identification and correction of errors and omissions; and (ii) overpayments of \$18,772 and potential underpayment of \$71,561 have been reviewed and corrective action has been taken.*

Missing and erroneous P.41 forms

26. According to Sections 15 and 16 of ST/IC/2014/12/Rev.1, education grant claims submitted by staff should be accompanied by form P.41 certified by the school. In the absence of form P.41, the staff should submit a certificate of attendance (form P.41/B) together with evidence of payment such as invoices,



receipts or cancelled cheques. The forms are submitted by staff through a web-based portal from where they are allocated to UNON HRMS staff for processing the claims in Umoja.

27. From a review of P.41 forms, OIOS noted the following:

- a. Ten education grant disbursements totaling \$199,595 were neither supported by form P.41, nor form P.41/B. OIOS was therefore unable to establish the basis on which the claims were processed and paid.
- b. Five P.41 forms for two staff members had admissible costs that were less than the education grant processed and paid. The staff received \$18,105 that was not supported by P.41 forms.
- c. Twenty one P.41 forms were not received through the web-based portal used to receive the forms and other supporting documentation. There was risk of loss of forms received outside the portal as they were not held in the central database. Four such forms were for staff who had separated from employment and for these, UNON HRMS said that the staff had no access to the portal as the claims were processed after they had left the Organization. This was in contravention of Section 13 of ST/IC/2014/12/Rev.1 which required all claims from separating staff to be submitted shortly before the date of separation from service, at which time they would have access to the portal.
- d. Twelve P.41 forms submitted by eight staff had missing information such as staff names and index numbers or had scribbling and markings that were not countersigned or authenticated. This was in contravention of Section 17 of ST/IC/2014/12/Rev.1 which states that P.41 forms should not be changed in any way, and any revisions or alterations would be cause for disciplinary action.

28. OIOS therefore concluded that these claims were processed despite the missing, tampered or incomplete P.41 forms which was in contravention of the instructions governing education grant disbursement.

**(4) UNON should establish procedures for future education claims which ensure that: (i) all documents including P.41 forms are filed in the web-based portal to provide a complete audit trail for the claims disbursed; and (ii) applicable instructions regarding alterations to supporting documents are strictly complied with.**

*UNON accepted recommendation 4 and stated that the web-based application for submission of education grant requests is already functional and that all staff should be able to access it. Upon availability of the new education grant codes in Umoja ECC (to capture International Civil Service Commission changes for claims' settlement of 2017-2018 school year) the web-based education grant application may need further adjustment. Staff will be reminded of existing provisions on proper filling of applications and integrity of the supporting documentation. Recommendation 4 remains open pending receipt of evidence that: (i) all documents including P.41 forms were filed in the web-based portal; and (ii) instructions regarding alterations to supporting documents are complied with.*

Need to ensure that eligibility requirements are met

29. According to Sections 1 and 2 of ST/AI/2011/4, staff eligible for education grant are international recruits under Staff Rule 4.5 who hold a fixed-term, continuing or permanent appointment. Their children must be in full-time attendance at an educational institution at the primary level or above and are only

entitled to the grant up to the scholastic year in which the child reaches the age of 25, unless there are compelling reasons that require exemption.

30. OIOS review identified two cases where staff were paid education grant for dependents that were not in full-time attendance at their respective schools. Another staff member received education grant for a dependent who was 27 years of age. OIOS was not provided with documentation to support any exemptions for these payments. The total grant disbursed to the three dependents was \$5,987.

31. By disbursing education grants to ineligible dependents without recorded justification for exemption, UNON HRMS failed to comply with the provisions of ST/AI/2011/4.

**(5) UNON should either obtain documentation exempting the ineligible staff to receive the education grant or recover the amount of \$5,987 incorrectly disbursed.**

*UNON accepted recommendation 5 and stated that review was ongoing. Recommendation 5 remains open pending receipt of: (i) documentation exempting the ineligible staff to receive education grant disbursements of \$5,987; or (ii) evidence to show that the amount of \$5,987 paid to ineligible staff has been recovered.*

iii. Boarding and textbook expenses

Need to obtain documentary proof for flat sums for board

32. Section 19 of ST/IC/2014/12/Rev.1 states that if the child does not reside with the staff member, the staff member will be required to submit documentary proof in the form of invoices, receipts, cancelled cheques, electronic funds transfer or bank transfer statements that flat sums for board and textbooks have been used for the intended purposes.

33. UNON disbursed a total of \$1,023,471 as education grants related to boarding fees of which \$509,474 related to flat sums for board while \$513,997 related to boarding provided by the schools to dependent children of staff members. UNON also disbursed a further \$123,900 for flat sums for textbooks. For the flat sum amounts paid for board and text books, UNON HRMS did not apply the provisions of ST/IC/2014/12/Rev.1 but disbursed the amount without asking staff members to provide the required documentation in support of the flat sums claimed. UNON HRMS erroneously applied the provisions of ST/IC/2005/25 which did not require submission of supporting documents if the child was in the custody of the staff member. ST/IC/2005/25 was superseded by ST/IC/2014/12/Rev.1, which requires staff members to provide supporting documents if the child does not reside with them. The wording in the two information circulars is as follows:

- ST/IC/2014/12/Rev.1

“If the child of the staff member does not reside with the staff member, the staff member will be required to submit documentary proof, in the form of invoices, receipts, cancelled cheques on electronic funds transfer or bank transfer statements, that the flat sums for board and textbooks have been used for the purposes intended.”

- ST/IC/2005/25

“If the staff member does not have custody of his or her child, the staff member will be required to submit documentary proof, in the form of invoices, receipts or cancelled cheques, that the flat sums for board and textbooks have been used for the purposes intended.”

34. By not applying the provisions of ST/IC/2014/12/Rev.1, UNON HRMS disbursed \$509,474 towards flat sums for board and \$123,900 towards flat sums for textbooks without asking staff members to provide the required documentation in support of the amounts claimed. Failure to implement the applicable instructions could result in over- or underpayments to staff.

**(6) UNON should: (i) implement Section 19 of ST/IC/2014/12/Rev.1. which requires staff members to provide documentary proof for flat sums for board and textbooks; (ii) request the concerned staff members to provide, within a reasonable time, documentary proof for the flat sums for board and textbooks paid to them; and (iii) deduct any flat sums paid without the required documentary proof.**

*UNON accepted recommendation 6 and stated that documentary proof of payment for boarding and textbook expenses was only required for staff members who did not have custody over the child concerned. UNON HRMS was reviewing such cases to ensure proper documentation was made available. Recommendation 6 remains open pending receipt of evidence that: (i) Section 19 of ST/IC/2014/12/Rev.1. has been implemented; (ii) documentary proof has been received from staff for flat sums for board and textbooks paid; and (iii) flat sums paid without the required documentary proof have been recovered.*

Need to accurately compute boarding expenses

35. According to Section 4.2 of ST/AI/2011/4, where the educational institution provides board, the amount of grant shall be 75 per cent of the boarding expenses up to the maximum per year indicated in the Annex to the administrative instruction. Where the educational institution does not provide board, the amount of the grant shall be the sum of the flat sum for board up to the maximum provided in the Annex. Based on this, staff members whose dependents qualify for reimbursement of boarding expenses do not qualify for flat sum for board.

36. OIOS identified seven education grant disbursements made to four staff members where boarding expenses were inaccurately computed. For these disbursements, the flat sum for board was first deducted from boarding expenses and the balance of the boarding cost was reimbursed at 75 per cent as part of admissible expenses. This misapplication of Section 4.2 resulted in overpayment of \$9,805.

**(7) UNON should: (i) strengthen its review processes to ensure that Section 4.2 of ST/AI/2011/4 which requires the amount of grant to be 75 per cent of boarding expenses excluding the flat sum for board is correctly implemented; and (ii) recover \$9,805 that was overpaid to staff due to misapplication of Section 4.2.**

*UNON accepted recommendation 7 and stated that it was undertaking a review to recover or adjust claims accordingly. Recommendation 7 remains open pending receipt of evidence that: (i) review processes have been strengthened to ensure that the provisions of Section 4.2 of ST/AI/2011/4 are correctly implemented; and (ii) \$9,805 that was overpaid to the staff due to misapplication of Section 4.2 has been recovered.*

iv. Mother tongue

37. Applicable rules/instructions require that expenses for private tuition in the mother tongue be paid only when these conditions are met: (i) private tuition is given by a qualified teacher who is certified in the language of instruction and is not a member of the staff member's family; (ii) staff member serves in a country whose language is not his or her mother tongue; and (iii) child attends a local school in which the

language of instruction is not the staff member's mother tongue. During the period of audit 26 staff members received 58 education grant disbursements totaling \$90,221 for tuition in mother tongue. OIOS reviewed 10 of these disbursements and noted that all the applicable conditions were met.

v. Private tuition

38. Expenses for private tuition are only admissible for tuition in the language of the duty station, when the local school certifies this as a precondition for admittance; or as a required supplement to correspondence courses for which expenses are admissible; or as a required supplement to the regular school programme. During the period under review, no staff member claimed expenses for private tuition.

vi. Summer expenses

Need to recover costs for summer courses that do not meet admissibility requirements

39. According to Section 3.5 (f) of ST/AI/2011/4, expenses for summer courses are non-admissible except when the school certifies that such courses are a prerequisite for further attendance during the subsequent regular school year and for the school's regular diploma. Section 4.6 of the same instruction further states that where such expenses are considered admissible, they are reimbursed as part of the admissible expenses incurred for the prior school year.

40. OIOS review identified two cases where staff were reimbursed \$7,597 towards summer courses. One of the courses was done on a part time basis and in both instances, there was no documentation to demonstrate that the summer courses were a prerequisite for further attendance during the subsequent regular school year and for the school's regular diploma.

41. By paying education grant for summer courses that did not meet the required conditions, UNON HRMS did not comply with Section 3.5 (f) of ST/AI/2011/4 resulting in payment of unentitled benefits.

**(8) UNON should recover \$7,597 from the staff relating to summer courses that did not meet the admissibility requirements outlined in Section 3.5 (f) of ST/AI/2011/4.**

*UNON accepted recommendation 8 and stated that review was ongoing to identify cases where summer courses were considered admissible but are lacking proper supporting documentation as pre-requisite for subsequent instruction. Given the nature of summer programmes, intensity of instruction in a much shorter duration, taking a course or two as a maximum was normal but full-time attendance was not possible (or required) during summer sessions. Recommendation 8 remains open pending receipt of evidence that the \$7,597 relating to summer courses that did not meet the admissibility requirements in Section 3.5 (f) of ST/AI/2011/4 have been recovered.*

vii. Treatment of scholarships, bursaries or similar grants

42. OIOS sought to verify whether staff members disclosed all scholarships, bursaries or similar grants on P.45 forms and whether the educational institution certified those scholarships, bursaries and similar grants in P.41 forms. The audit also sought to establish whether the scholarships were correctly applied to the education grant claimed.

43. OIOS reviewed six education grant disbursements which had scholarships and noted that none of the staff disclosed the scholarships when applying for education grant advances. The amounts aggregating \$50,430 were subsequently recovered. UNON HRMS stated that staff members received confirmation of award of scholarships, bursaries or similar grants just before the beginning of the school year, and this was

sometimes released in instalments, subject to the students maintaining a required level of academic performance. As such, actual cost of payments could only be confirmed upon completion of the school year.

44. From a review of supporting documentation and re-computation of admissible costs, OIOS identified one education grant where the P.41 form indicated the scholarship amount to be \$7,010 but invoices from the school showed that the scholarship was \$13,010. Admissible costs were therefore overstated by \$6,000 due to the understated scholarship amount. Since this case is included in the overpaid amounts reported earlier in the present report, OIOS is not making an additional recommendation on this aspect.

viii. Special education grants

Need for corroboration of special education grants with certification from the Medical Services Division

45. According to Section 11.1 of ST/AI/2011/4, eligible staff members may claim special education grant upon certification by the Medical Services Division that: (i) the child is unable, by reason of physical or mental disability, to attend a regular educational institution; or (ii) the child, while attending a regular educational institution, requires special teaching or training to assist him or her in overcoming the disability.

46. OIOS reviewed 25 special education grants for 20 staff members and noted that seven education grant disbursements were either not supported by certification by the Medical Services Division or the certification had expired midway through the school year, making the staff ineligible for special education grant for the remaining part of the year. Consequently, UNON HRMS paid special education grants totaling \$61,410 that were not adequately supported.

**(9) UNON should: (i) ensure that payments for special education grant are based on certification by Medical Services Division; (ii) require staff to provide certification from the Medical Services Division for the special education grants that were not adequately supported; and (iii) recover \$61,410 from the staff if the required certification is not provided.**

*UNON accepted recommendation 9 and stated that review was ongoing to address any possible recoveries or adjustments. The normal process in place included ensuring proper certification from the Medical Services Division prior to recording of special education grants. Records where certification had not been extended in the system would also be reviewed to ensure available documentation in the staff files was matching with electronic records in Umoja. Recommendation 9 remains open pending receipt of evidence that: (i) payments for special education grant are based on certification by the Medical Services Division; (ii) certification from the Medical Services Division is obtained for the special education grants that were not adequately supported; and (iii) recoveries have been made in cases where the required certification was not provided.*

ix. Education grant travel

Need to buy air tickets for education grant travel 16 days before the travel date

47. ST/AI/2013/3 on Official Travel states that arrangements for all individuals travelling on behalf of the United Nations, including advance booking and purchase of tickets, should be finalized 16 calendar days in advance of commencement of official travel and where this is not possible, reasons should be given for justification. This provision was intended to ensure economical use of resources. Although the ST/AI does not explicitly state that it applies to education grant travel, application of the instruction to education grant travel could reduce costs to the Organization.

48. At UNON, UNEP and UN-Habitat, there were 92 education grant related travel costing a total of \$177,533. Out of the 92 trips, 30 travel requests were approved and processed within the stipulated timeframe as per ST/AI on travel while 40 travel requests were approved after the trips had commenced. Further, travel arrangements for nine dependents which included purchase of air tickets were approved by the certifying officers less than 16 calendar days in advance. In these nine cases, no reasons were given to justify why the tickets were not bought 16 calendar days in advance. Due to the absence of air ticket information, OIOS could not establish whether there was any quantifiable loss of economic advantage that could have been obtained if the tickets had been purchased in time. UNON may have, in the process, missed the opportunity to benefit from cheaper prices usually available when air tickets are bought at least 16 days in advance.

**(10) UNON should ensure that all education grant travel requests are completed at least 16 days before the travel date in accordance with the principle enunciated in ST/AI/2013/3 on Official Travel.**

*UNON accepted recommendation 10 and stated that staff members will be reminded of their responsibility to submit requests for issuance of air tickets for education grant travel in compliance with the travel policy. Recommendation 10 remains open pending receipt of evidence that education grant travel requests are completed at least 16 days before the travel date in accordance with ST/AI/2013/3 on Official Travel.*

x. Treatment of exchange rate gains and losses

49. According to Section 12 of ST/IC/2014/12/Rev.1, education grant claims and advances should be paid in United States dollars with the exception of Geneva where grants are paid in Swiss Francs. At UNON HRMS, claims and advances were received in various currencies as dependents attended schools in various parts of the world. For education grant advances, the exchange rates used to compute the advances were the rates ruling on the first day of the dependents' school year. For claims, the exchange rates used were those ruling on the day the staff member made the payment to the school. The rates applied were those published by the International Civil Service Commission.

50. At UNON, UNEP and UN-Habitat, the effects of exchange rate fluctuations arising from education grant disbursements were borne by staff members. As a result, for the education grant disbursed during the period under review, a total of \$245,904 net gain (non-monetary) accrued to staff due to exchange rate fluctuations. This meant that education grant advances recovered at the end of the school year were less than what was paid to the staff at the beginning of the same year. In the absence of a documented policy on treatment of such exchange fluctuations, it was unclear whether the practice followed by UNON was appropriate. UNON needs to consult with the Office of Human Resources Management (OHRM) on this aspect.

**(11) UNON should liaise with OHRM and document a policy on the treatment of exchange rate fluctuations arising from disbursement of education grants.**

*UNON accepted recommendation 11 and stated that OHRM's initial advice that exchange rate fluctuations are to be borne by staff members would be confirmed with Policy, accordingly. Recommendation 11 remains open pending receipt of evidence of the written clarification provided in this regard by OHRM.*

## **B. Roles and responsibilities**

### Staff roles and responsibilities were adequately segregated

51. At the time of the audit, the UNON HRMS SPnB Section had 10 staff members assigned for processing staff entitlements (including education grant disbursements) in Umoja. Eight of these staff were known as human resources (HR) partners and were at the G-5 and G-6 levels. They were split into two service centres, each of which was led by an HR officer responsible for: reviewing and approving the education grant advances and claims; and ensuring that the work load assigned to HR partners was equitable. Management organized regular brown bag sessions where new procedures released by OHRM as well as possible challenges were discussed to ensure consistent application of regulations and rules in the processing of education grant advances and claims. OIOS therefore concluded that roles and responsibilities were adequately segregated and mechanisms were in place to ensure that HR partners were aware of the regulations and rules for processing of education grant claims.

## **C. Delegation of authority**

### Delegation of authority was adequate

52. According to ST/SGB/2015/1 titled “Delegation of authority in the administration of the Staff Regulations and Staff Rules”, delegation of authority for the administration of the Staff Regulations and Staff Rules is given to officials on a functional basis rather than personal. For UNON HRMS, delegation of authority to process education grant advances and claims was given to the HR partners and officers by OHRM once they met pre-requisite training and minimum grade level requirements and were mapped out within Umoja to undertake their allocated functions.

53. UNON HRMS implemented a two-level mechanism where the first HR partner checked admissibility of expenses against the documents submitted by staff members and entered data in the Umoja ECC based on applicable admissible/non-admissible expenses. At the second level an HR officer reviewed the information in Umoja, entered the settlement date and approved the claim for payment. Where advances and claims could not be approved, they were returned to staff members with explanations. In view of the duly approved mapping for the HR partners involved in processing education grant advances and claims in Umoja and the establishment of mechanisms for execution and review, OIOS concluded that delegation of authority was adequate.

## **D. Information system used for processing the education grant**

### Data relating to education grant needs to be reviewed, cleaned up and updated

54. Currently, the receipt of documentation for processing of claims and requesting for advances was done through a web-based portal accessed through Lotus Notes. The documents were uploaded in the portal by the requesting staff where they were reviewed by the HR partner for completeness and accuracy. Processing of education grant, including calculation of amounts due to staff, recording of the transaction and payment were done by the HR partner in the Umoja ECC. Since the two systems were not integrated, manual intervention was required.

55. OIOS noted errors and omissions that required data clean up and updating. In the document receiving portal, almost 300 entries were marked as “pending HR partner review” but the education grant claims and advances had been processed in Umoja’s ECC. As a result, there was no assurance that the documents uploaded in the system had been reviewed prior to processing in Umoja.

56. Within Umoja ECC, the dependency status for children who received education grant claims in 2015 was shown as “not dependent” and “not eligible” to receive education grant, yet they were all dependents and eligible for the grant. Further, 11 out of 50 education grant accounts in Umoja ECC reviewed on a sample basis had errors. Tuition expenses were recorded more than once, thereby inflating admissible costs, and in other instances meal and boarding expenses were lumped together as “other admissible costs” and not recorded separately in the system. OIOS also noted instances where admissible costs were reflected as negative amounts and payments made by staff members were omitted even though supporting documentation showed otherwise.

57. Inaccurate data in the system could result in distortion of reported information and adversely affect decision making, causing errors and potentially fraudulent payments.

**(12) UNON should review, correct and update all data in Umoja and the web-based portal used for receiving education grant documents to ensure that the information in the two systems is accurate and up to date.**

*UNON accepted recommendation 12 and stated that Information and Communications Technology Section’s support will be requested to assess the possibility of an automatic update in the web-based application, following processing in Umoja ECC. Recommendation 12 remains open pending receipt of evidence that all data in Umoja and the web-based portal used for receiving education grant documents has been reviewed, corrected and updated.*

Need to investigate and close duplicate accounts having suspense education grant balances

58. As indicated above, processing of the education grant disbursements was performed in Umoja ECC where an education grant settlement account was created at the beginning of the school year and advances processed and paid based on the admissible amounts recorded in the system. At the end of the school year, a claims settlement was done in the same account and the balance settled with the staff member through payroll adjustment.

59. Out of the 50 education grant accounts reviewed in Umoja ECC, 6 of them were duplicates in the system. Five of these duplicate accounts had education grant advances that had no claims made against them, thereby leaving them as outstanding balances. These amounts were left pending in the system which increased the risk of fraud or error. In the sixth account, one education grant claim was recorded in both the original and duplicate accounts and the staff was paid the outstanding balance from both accounts, resulting in an overpayment of \$3,555. OIOS was unable to establish the cause of duplicate accounts in the system.

**(13) UNON should: (i) investigate all duplicate education grant outstanding balances in Umoja and resolve them to mitigate the risk of fraud or error; and (ii) recover \$3,555 overpaid to a staff member as a result of a duplicate account.**

*UNON accepted recommendation 13 and stated that there was ongoing review to update and take corrective action as required. Recommendation 13 remains open pending receipt of evidence that: (i) duplicate education grant balances in Umoja have been investigated and resolved; and (ii) overpaid amount of \$3,555 arising from a duplicate account has been recovered from the staff.*



## E. Performance monitoring

### Need to establish comprehensive performance monitoring for education grant disbursements

60. According to ST/SGB/2009/3 titled “Organization of the United Nations Office at Nairobi”, the Office of the Director-General is responsible for monitoring the quality, efficiency, effectiveness and timeliness of the delivery of services by UNON to UNEP and UN-Habitat.

61. UNON HRMS had established a performance standard which stated that education grant advances and claims would be processed within 20 working days from date of receipt of documentation. However, there was no evidence of how this was measured. Further, the reports reviewed by UNON HRMS on recovery dates were not sufficient to assess the quality, efficiency, effectiveness and timeliness of work done.

62. With the implementation of Umoja ECC for processing of education grant claims, UNON HRMS has the opportunity to extract comprehensive reports and undertake data analysis that could aid in monitoring the quality, efficiency, effectiveness and timeliness of education grant disbursement.

**(14) UNON should establish performance monitoring and utilize the Umoja reporting tools to assess the efficiency, effectiveness and timeliness of education grant disbursement.**

*UNON accepted recommendation 14 and stated that additional support required in this regard will be coordinated with OHRM. Recommendation 14 remains open pending receipt of evidence of the actions taken for performance monitoring in the area of education grant disbursement.*

## IV. ACKNOWLEDGEMENT

63. OIOS wishes to express its appreciation to the Management and staff of UNON, UNEP and UN-Habitat 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 education grant disbursement at the United Nations Office at Nairobi, the United Nations Environment Programme and the United Nations Human Settlements Programme

Rec. 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	UNON should strengthen its review mechanisms to ensure that education grant advances paid to staff are accurate, and that errors are identified and rectified in a timely manner.	Important	O	Receipt of evidence that review mechanisms have been strengthened to ensure that education grant advances paid to staff are accurate and that errors are identified and rectified in a timely manner	31/12/2017
2	UNON should identify the recipients of the education grant advances of \$32,763 and rectify the control deficiencies in the system that caused the advances to be processed but not received by the concerned staff.	Important	O	Receipt of evidence that: (i) education grant advances of \$32,763 have been paid to the appropriate beneficiaries; and (ii) controls have been established to ensure that processed education grant advances are received by the concerned staff.	30/11/2017
3	UNON should: (i) strengthen its review and approval processes for education grant claims to ensure that errors and omissions are identified and corrected in a timely manner; (ii) review the overpayments of \$18,772 and potential underpayment of \$71,561 for appropriate corrective action.	Important	O	Receipt of evidence that: (i) review and approval processes for education grant claims have been strengthened for timely identification and correction of errors and omissions; and (ii) overpayments of \$18,772 and potential underpayment of \$71,561 have been reviewed and corrective action has been taken.	30/11/2017
4	UNON should establish procedures for future education claims which ensure that: (i) all documents including P.41 forms are filed in the web-based portal to provide a complete audit trail for the claims disbursed; and (ii) applicable instructions regarding alterations to supporting documents are strictly complied with.	Important	O	Receipt of evidence that: (i) all documents including P.41 forms were filed in the web-based portal; and (ii) instructions regarding alterations to supporting documents were complied with.	31/12/2017

<sup>1</sup> 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.

<sup>2</sup> 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.

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

<sup>4</sup> Date provided by UNON in response to recommendations.

## STATUS OF AUDIT RECOMMENDATIONS

**Audit of education grant disbursement at the United Nations Office at Nairobi, the United Nations Environment Programme and the United Nations Human Settlements Programme**

Rec. no.	Recommendation	Critical/ Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
5	UNON should either obtain documentation exempting the ineligible staff to receive the education grant or recover the amount of \$5,987 incorrectly disbursed.	Important	O	Receipt of: (i) documentation exempting the ineligible staff to receive education grant disbursements of \$5,987; or (ii) evidence to show that the amount of \$5,987 paid to ineligible staff has been recovered.	30/11/2017
6	UNON should: (i) implement Section 19 of ST/IC/2014/12/Rev.1. which requires staff members to provide documentary proof for flat sums for board and textbooks; (ii) request the concerned staff members to provide, within a reasonable time, documentary proof for the flat sums for board and textbooks paid to them; and (iii) deduct any flat sums paid without the required documentary proof.	Important	O	Receipt of evidence that: (i) Section 19 of ST/IC/2014/12/Rev.1. has been implemented; (ii) documentary proof has been received from staff for flat sums for board and textbooks paid; and (iii) flat sums paid without the required documentary proof have been recovered.	30/11/2017
7	UNON should: (i) strengthen its review processes to ensure that Section 4.2 of ST/AI/2011/4 which requires the amount of grant to be 75 per cent of boarding expenses excluding the flat sum for board is correctly implemented; and (ii) recover \$9,805 that was overpaid to staff due to misapplication of Section 4.2.	Important	O	Receipt of evidence that: (i) review processes have been strengthened to ensure that the provisions of Section 4.2 of ST/AI/2011/4 are correctly implemented; and (ii) \$9,805 that was overpaid to the staff due to misapplication of Section 4.2 has been recovered.	30/11/2017
8	UNON should recover \$7,597 from the staff relating to summer courses that did not meet the admissibility requirements outlined in Section 3.5 (f) of ST/AI/2011/4.	Important	O	Receipt of evidence that the \$7,597 relating to summer courses that did not meet the admissibility requirements in Section 3.5 (f) of ST/AI/2011/4 have been recovered.	30/11/2017
9	UNON should: (i) ensure that payments for special education grant are based on certification by Medical Services Division; (ii) require staff to provide certification from the Medical Services Division for the special education grants that were not adequately supported; and (iii) recover \$61,410 from the staff if the required certification is not provided.	Important	O	Receipt of evidence that: (i) payments for special education grant are based on certification by the Medical Services Division; (ii) certification from the Medical Services Division is obtained for the special education grants that were not adequately supported; and (iii) recoveries have been made in cases where the required certification was not provided.	30/11/2017

### STATUS OF AUDIT RECOMMENDATIONS

#### Audit of education grant disbursement at the United Nations Office at Nairobi, the United Nations Environment Programme and the United Nations Human Settlements Programme

Rec. no.	Recommendation	Critical/ Important <sup>2</sup>	C/ O <sup>3</sup>	Actions needed to close recommendation	Implementation date <sup>4</sup>
10	UNON should ensure that all education grant travel requests are completed at least 16 days before the travel date in accordance with the principle enunciated in ST/AI/2013/3 on Official Travel.	Important	O	Receipt of evidence that education grant travel requests are completed at least 16 days before the travel date in accordance with ST/AI/2013/3 on Official Travel.	31/12/2017
11	UNON should liaise with OHRM and document a policy on the treatment of exchange rate fluctuations arising from disbursement of education grants.	Important	O	Receipt of evidence of the written clarification provided in this regard by OHRM.	31/12/2017
12	UNON should review, correct and update all data in Umoja and the web-based portal used for receiving education grant documents to ensure that the information in the two systems is accurate and up to date.	Important	O	Receipt of evidence that all data in Umoja and the web-based portal used for receiving education grant documents has been reviewed, corrected and updated.	30/11/2017
13	UNON should: (i) investigate all duplicate education grant outstanding balances in Umoja and resolve them to mitigate the risk of fraud or error; and (ii) recover \$3,555 overpaid to a staff member as a result of a duplicate account.	Important	O	Receipt of evidence that: (i) duplicate education grant balances in Umoja have been investigated and resolved; and (ii) overpaid amount of \$3,555 arising from a duplicate account has been recovered from the staff.	30/11/2017
14	UNON should establish performance monitoring and utilize the Umoja reporting tools to assess the efficiency, effectiveness and timeliness of education grant disbursement.	Important	O	Receipt of evidence of the actions taken for performance monitoring in the area of education grant disbursement.	31/12/2017

# **APPENDIX I**

## **Management Response**

United Nations  Nations Unies

UNITED NATIONS OFFICE AT NAIROBI

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

DATE: 17 October 2017

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

REF:

FROM: Sahle-Work Zewde  
DE: Director-General  
United Nations Office at Nairobi



SUBJECT: **Audit of education grant disbursements at UNON, UNEP and UN-Habitat**  
OBJET: **(Assignment No. AA2017/210/02)**

1. I acknowledge receipt of your communication dated 27 September 2017, submitting the draft report on the audit of education grant disbursement at the United Nations Office at Nairobi, the United Nations Environment Programme and the United Nations Human Settlements Programme (Assignment No. AA2017/210/02).
2. UNON agrees with your assessment and the need to strengthen controls in the administration of education grant entitlements and will coordinate efforts with the Office of Human Resources Management, as the process business owner, to improve governance, risk management and control processes.
3. Concerning all the inconsistencies identified through the audit review resulting in overpayments and underpayments, UNON' Human Resources Management Service has already initiated a thorough analysis to address the discrepancies and the processing of the corresponding corrective actions is currently undergoing.
4. As requested, attached please find the action plan (Appendix 1) with target dates and the titles of the individuals responsible for implementing the recommendations, who will also serve as the liaison for subsequent monitoring and reporting of progress.

## Management Response

**Audit of education grant disbursement at the United Nations Office at Nairobi, the United Nations Environment Programme and the United Nations Human Settlements Programme**

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNON should strengthen its review mechanisms to ensure that education grant advances paid to staff are accurate, and that errors are identified and rectified in a timely manner.	Important	Yes	Chief, Staff Pay and Benefits Section, HRMS/UNON	31 Dec 2017	Comments are already included in the report.
2	UNON should identify the recipients of the education grant advances of \$32,763 and rectify the control deficiencies in the system that caused the advances to be processed but not received by the concerned staff.	Important	Yes	Chief, Staff Pay and Benefits Section, HRMS/UNON	30 Nov 2017	Comments are already included in the report.
3	UNON should: (i) strengthen its review and approval processes for education grant claims to ensure that errors and omissions are identified and corrected in a timely manner; (ii) review the overpayments of \$18,772 and potential underpayment of \$71,561 for appropriate corrective action.	Important	Yes	Chief, Staff Pay and Benefits Section, HRMS/UNON	30 Nov 2017	Comments are already included in the report.
4	UNON should establish procedures for future education claims which ensure that: (i) all documents including P.41 forms are filed in the web-based portal to provide a complete audit trail for the claims disbursed; and (ii) applicable instructions regarding alterations to supporting documents are strictly complied with.	Important	Yes	Chief, Staff Pay and Benefits Section, HRMS/UNO	31 Dec 2017	(i)With ICTS' support, the web-based application for submission of EG requests is already functional and all staff members (Nairobi based and out-posted offices) should be able to access it. Upon availability of the new EG codes in Umoja/ECC (to capture the ICSC changes for claims' settlement for 2017-18 school year) the web-based EG

<sup>1</sup> 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.

<sup>2</sup> 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

**Audit of education grant disbursement at the United Nations Office at Nairobi, the United Nations Environment Programme and the United Nations Human Settlements Programme**

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						application may need further adjustments. (ii) Staff will be reminded of existing provisions on proper filling of applications and integrity of the supporting documentation.
5	UNON should either obtain documentation exempting the ineligible staff to receive the education grant or recover the amount of \$5,987 incorrectly disbursed.	Important	Yes	Chief, Staff Pay and Benefits Section, HRMS/UNON	30 Nov 2017	Comments are already included in the report.
6	UNON should: (i) implement Section 19 of ST/IC/2014/12/Rev.1. which requires staff members to provide documentary proof for flat sums for board and textbooks; (ii) request the concerned staff members to provide, within a reasonable time, documentary proof for the flat sums for board and textbooks paid to them; and (iii) deduct any flat sums paid without the required documentary proof.	Important	Yes	Chief, Staff Pay and Benefits Section, HRMS/UNON	30 Nov 2017	Comments are already included in the report.
7	UNON should: (i) strengthen its review processes to ensure that Section 4.2 of ST/AI/2011/4 which requires the amount of grant to be 75 per cent of boarding expenses excluding the flat sum for board is correctly implemented; and (ii) recover \$9,805 that was overpaid to staff due to misapplication of Section 4.2.	Important	Yes	Chief, Staff Pay and Benefits Section, HRMS/UNON	30 Nov 2017	Comments are already included in the report.
8	UNON should recover \$7,597 from the staff relating to summer courses that did not meet the admissibility requirements outlined in Section 3.5 (f) of ST/AI/2011/4.	Important	Yes	Chief, Staff Pay and Benefits Section,	30 Nov 2017	Comments are already included in the report.



## Management Response

**Audit of education grant disbursement at the United Nations Office at Nairobi, the United Nations Environment Programme and the United Nations Human Settlements Programme**

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
				HRMS/UNON		
9	UNON should: (i) ensure that payments for special education grant are based on certification by Medical Services Division; (ii) require staff to provide certification from the Medical Services Division for the special education grants that were not adequately supported; and (iii) recover \$61,410 from the staff if the required certification is not provided.	Important	Yes	Chief, Staff Pay and Benefits Section, HRMS/UNON	30 Nov 2017	Comments are already included in the report.
10	UNON should ensure that all education grant travel requests are completed at least 16 days before the travel date in accordance with the principle enunciated in ST/AI/2013/3 on Official Travel.	Important	Yes	Chief, Staff Pay and Benefits Section, HRMS/UNON	31 Dec 2017	Staff members will be reminded of their responsibility to submit requests for issuance of air-tickets for EG travel purposes, in compliance with the Travel policies.
11	UNON should liaise with OHRM and document a policy on the treatment of exchange rate fluctuations arising from disbursement of education grants.	Important	Yes	Chief, Staff Pay and Benefits Section, HRMS/UNON	31 Dec 2017	OHRM's initial advice that exchange rate fluctuations are to be borne by staff members, will be confirmed with Policy, accordingly.
12	UNON should review, correct and update all data in Umoja and the web-based portal used for receiving education grant documents to ensure that the information in the two systems is accurate and up to date.	Important	Yes	Chief, Staff Pay and Benefits Section, HRMS/UNON	30 Nov 2017	ICTS support will be requested to assess the possibility of an automatic update in the web-based application, following processing in Umoja ECC.
13	UNON should: (i) investigate all duplicate education grant outstanding balances in Umoja and resolve them to mitigate the risk of fraud or error; and (ii) recover \$3,555 overpaid to a staff member as a result of a duplicate account.	Important	Yes	Chief, Staff Pay and Benefits Section, HRMS/UNON	30 Nov 2017	Comments are already included in the report.
14	UNON should establish performance	Important	Yes	Chief, Staff	31 Dec 2017	Additional support required in this

## Management Response

**Audit of education grant disbursement at the United Nations Office at Nairobi, the United Nations Environment Programme and the United Nations Human Settlements Programme**

Rec. no.	Recommendation	Critical <sup>1</sup> / Important <sup>2</sup>	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	monitoring and utilize the Umoja reporting tools to assess the efficiency, effectiveness and timeliness of education grant disbursement.			Pay and Benefits Section, HRMS/UNON		regard will be coordinated with OHRM