



INTERNAL AUDIT DIVISION

REPORT 2016/003

Audit of leave and attendance records in the Regional Service Centre in Entebbe, the United Nations Organization Stabilization Mission in the Democratic Republic of Congo, the United Nations Mission in the Republic of South Sudan and the United Nations Interim Security Force for Abyei

Overall results relating to the effective management of leave and attendance records in RSCE, MONUSCO, UNMSS and UNISFA were initially assessed as partially satisfactory. Implementation of four important recommendations remains in progress

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

2 February 2016
Assignment No. AP2015/2015/02

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AUDIT REPORT

Audit of leave and attendance records in the Regional Service Centre in Entebbe, the United Nations Organization Stabilization Mission in the Democratic Republic of Congo, the United Nations Mission in the Republic of South Sudan and the United Nations Interim Security Force for Abyei

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of leave and attendance records in the Regional Service Centre in Entebbe (RSCE), the United Nations Organization Stabilization Mission in the Democratic Republic of Congo (MONUSCO), the United Nations Mission in the Republic of South Sudan (UNMISS) and the United Nations Interim Security Force for Abyei (UNISFA).

2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.

3. The General Assembly approved the establishment of RSCE, a shared service centre, as part of the Global Field Support Strategy with responsibility for providing non location dependent administrative and financial support for the following missions:

- United Nations Organization Stabilization Mission in the Democratic Republic of Congo;
- African Union-United Nations Hybrid Operation in Darfur;
- United Nations Mission in the Republic of South Sudan;
- United Nations Interim Security Force for Abyei;
- United Nations Support Office for Somalia;
- United Nations Assistance Mission in Somalia;
- United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic;
- United Nations Electoral Mission in Burundi;
- Special Envoy of the Secretary-General to the Great Lakes; and
- United Nations Somalia and Eritrea Monitoring Group.

4. The RSCE International Civilian Benefits and Payroll Service Line is responsible for processing international staff time and attendance as well as entitlements for annual leave, maternity and paternity leave, and special leave with and without pay for international staff in RSCE client missions. The Service Line is headed by a staff at FS-7 level and has 57 approved posts comprising of 4 professional, 21 field service, 1 United Nations volunteer, 2 national professional officers and 29 national staff. The Service Line reports to a Benefits and Entitlements Service Delivery Manager at the P-5 level.

5. Comments provided by the Department of Field Support (DFS), MONUSCO, UNMISS and UNISFA are incorporated in italics.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of RSCE, MONUSCO, UNMISS and UNISFA governance, risk management and control processes in providing reasonable assurance regarding the **effective management of leave and attendance records in RSCE, MONUSCO, UNMISS and UNISFA**.

7. The audit was included in the 2015 risk-based work plan of OIOS because of the operational, compliance and financial risks related to the management of leave and attendance records.

8. The key control tested for the audit was regulatory framework. For the purpose of this audit, OIOS defined this key control as the one that provides reasonable assurance that policies and procedures: (a) exist to guide the management of leave and attendance records; (b) are implemented consistently; and (c) ensure the reliability and integrity of financial and operational information.

9. The key control was assessed for the control objectives shown in Table 1. One control objective shown in Table 1 as “Not assessed” was not relevant to the scope defined for this audit.

10. OIOS conducted this audit in September and October 2015. The audit covered the period from 1 January 2013 to 30 September 2015.

11. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key control in mitigating associated risks. Through interviews and analytical reviews, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness.

III. AUDIT RESULTS

12. The RSCE, MONUSCO, UNMISS and UNISFA governance, risk management and control processes examined were initially assessed as **partially satisfactory**¹ in providing reasonable assurance regarding the **effective management of leave and attendance records in RSCE, MONUSCO, UNMISS and UNISFA**. OIOS made five recommendations to address the issues identified. RSCE needed to clean leave records after the migration from Integrated Management Information System (IMIS) to Umoja to ensure: accurate leave balances for financial reporting purposes; prevent financial loss to the Organization; and staff do not lose leave days earned. Additionally, RSCE, MONUSCO and UNMISS needed to: (a) identify and appropriately address unauthorized absences; and (b) establish procedures to prevent the abuse of temporary or occasional unauthorized absences of up to three days, in accordance with the DFS guidance. UNMISS, in collaboration with DFS, needed to identify a legal solution to the banking problems faced by staff.

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

¹ A rating of “**partially satisfactory**” means that important (but not critical or pervasive) deficiencies exist in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Table 1: Assessment of key control

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

Regulatory framework

Need to consistently validate leave taken based on relevant supporting documents

14. The administrative instruction on recording of attendance and leave requires time and attendance assistants in field missions to prepare leave reports for staff returning from annual and sick leave and obtain endorsements of the completed reports from staff and their supervisors. The Field Support Suite (FSS) requires: (a) staff to upload supporting evidence of their leave in FSS and/or send original copies of such evidence to RSCE; and (b) RSCE time and attendance assistants to validate leave taken by staff based on relevant supporting evidence, which differs depending on the type of leave.

15. OIOS reviewed 747 (256 international and 491 national staff leaves) out of 66,156 leaves recorded in FSS for MONUSCO, UNMISS and UNISFA. For 359 (110 international and 249 national staff leaves) of the 747, the review indicated the lack of evidence in FSS or RSCE archives that RSCE time and attendance assistants were validating staff leaves based on the relevant supporting documents.

16. The above resulted because: (a) while RSCE had drafted guidelines and provided training to its time and attendance assistants, it had not implemented adequate and effective monitoring procedures to ensure that time and attendance assistants consistently validated the leave of staff based on the relevant supporting documents; and (b) MONUSCO, UNMISS and UNISFA did not train their time and attendance assistants; however, the need for training of these assistants had been overtaken by the roll-out of Umoja Extension 1. The lack of review of relevant supporting documentation increased the risk of granting entitlements to staff members that they were not eligible for.

(1) RSCE should implement adequate and effective monitoring procedures to ensure that time and attendance assistants consistently validate the leave of staff based on the relevant supporting documents.

RSCE accepted recommendation 1 and stated that with the implementation of Umoja Extension 1, certain types of leave would be reviewed by the staff member's supervisor and therefore not routed to RSCE. RSCE, for Travel Entitlement Leave, would verify eligibility and readjust leave balances as appropriate. RSCE would also approve maternity leave, rest and recuperation, certified sick leave and special leave without pay based on the Time Management Job Aid issued by the Office of Human Resources Management. Recommendation 1 has been closed based on the information provided on the process being implemented by RSCE, as well as the revised procedures for leave due to the implementation of Umoja Extension 1.

Need for adequate and effective control over advance/unauthorized leave

17. United Nations staff rules require field missions to: (a) authorize leave days accrued by staff; and (b) approve advance leave up to a maximum of 10 working days for staff, based on acceptable justifications and provided the concerned staff members will remain in the Organization to accrue sufficient leave to cover the advances. The administrative instructions on recording of attendance and leave and on abandonment of post require: (a) supervisors of staff to promptly advise RSCE and their human resources officers about unexplained absences of staff not later than the end of the fourth day of such absences; and (b) human resources officers to formally communicate with the staff and if appropriate recommend separation of the staff member to the Assistant Secretary-General of the Department of Management. The administrative instruction on abandonment of post allows temporary and occasional absences without penalties.

18. A review of the leave records of all 20 international and national staff that had negative balances in FSS as at 30 April 2015 indicated the lack of justifications for these balances. Also for 16 of the 20 staff, supervisors' approvals for extended leave or communications informing the relevant human resources officers about the extended absences were not available. Also, a review of all 198 unauthorized absences related to 198 staff for UNMISS and MONUSCO during the audit period indicated:

- The lack of supervisors' communications informing the relevant human resources management officers about the unauthorized absences for all 198 staff;
- Fourteen staff were absent for periods ranging from one month to six months consecutively with no supporting documentation indicating justification for absences or actions taken;
- Twenty-nine staff were on unauthorized absence of between 4 and 21 consecutive days with no supporting documentation; and
- A pattern of abuse of temporary or occasional absences of between one and three days (i.e., a form of unauthorized absence) by 155 staff members. For example, some staff took up to 20 days of unauthorized absences during the audit period without any justification and supporting documentation.

19. The above resulted because: (a) RSCE, MONUSCO and UNMISS did not implement monitoring and follow-up procedures to identify and appropriately address unauthorized absences; and (b) MONUSCO and UNMISS, in collaboration with DFS, had not implemented procedures on the management of temporary or occasional absences. As a result, there was a risk of abuse and disruptions in operations. For example, in MONUSCO, the unchecked unauthorized absences by drivers, language assistants working with military/Disarmament Demobilization and Reintegration and security staff formed the majority of unauthorized absences. Discussions with the various section heads in MONUSCO indicated that these absences had disrupted operations.

(2) RSCE, MONUSCO and UNMISS should implement monitoring and follow-up procedures to identify and appropriately address unauthorized absences.

RSCE, MONUSCO and UNMISS accepted recommendation 2 and stated that RSCE would define a procedure for the identification and follow-up of unauthorized absences. Recommendation 2 remains open pending receipt of evidence that RSCE, MONUSCO and UNMISS have implemented monitoring and follow-up procedures to identify and effectively address the issue of unauthorized

absences.

(3) MONUSCO and UNMISS, in collaboration with DFS, should establish appropriate procedures to prevent the abuse of temporary or occasional unauthorized absences of up to three days.

MONUSCO and UNMISS accepted recommendation 3 and stated that DFS provided the missions with guidance on how to prevent the abuse of unauthorized absences. Recommendation 3 remains open pending receipt of evidence that MONUSCO and UNMISS have established appropriate procedures to prevent the abuse of unauthorized absences of up to three days, in accordance with DFS guidance.

Need for UNMISS and UNISFA to regularize their information circulars on administrative leave for personal banking of staff members

20. The administrative instructions on the recording of leave other than annual leave requires field missions to authorize the general release of non-essential staff due to severe weather or other emergency conditions and charge such general releases to administrative leave.

21. A review of 60 of 1,221 administrative leaves taken by UNMISS and UNISFA staff during the audit period indicated that 49 did not relate to severe weather or any emergency conditions that warranted a general release of non-essential staff. Rather, the staff had availed the leave on different occasions to take care of their personal banking needs. This resulted because, due to the lack of banking facilities, the Director and Chief of Mission Support for UNMISS and UNISFA respectively, without consulting with DFS, issued information circulars allowing national staff to take up to three days of administrative leave each month and international staff one day each month to take care of their personal banking needs while on benefit travels such as rest and recuperation and family visit. UNISFA subsequently rescinded the information circular through a broadcast on 12 November 2015 regarding the discontinuation of the practice of allowing staff to take administrative days in conjunction with rest and recuperation.

22. As a result, staff members were taking additional leave days for their personal banking needs that could have been addressed while on benefit travels such as rest and recuperation and family visit.

(4) UNMISS, in collaboration with DFS, should identify an appropriate and authorized solution to the banking problems faced by staff members.

UNMISS accepted recommendation 4 and stated that DFS was discussing possible solutions with UNMISS. Recommendation 4 remains open pending receipt of evidence that an appropriate and authorized solution to banking problems faced by UNMISS staff has been identified and implemented.

Need for RSCE to complete the cleaning of leave records in Umoja

23. RSCE was required to promptly and accurately update IMIS leave records with regard to leave taken by staff and recorded in FSS. The Umoja Implementation Team migrated leave records from IMIS to Umoja and required RSCE to complete updating IMIS before the migration date of 14 November 2015.

24. A review of the reconciliation of FSS and IMIS leave records by Field Personnel Operations Service/Field Personnel Division as at 30 September 2015, indicated that FSS leave records for 391 of 792 MONUSCO international staff, 45 of 129 UNISFA international staff and 327 of 787 UNMISS international staff did not match IMIS leave records.

25. This resulted because RSCE did not commence updating IMIS promptly as it was of the view that FSS leave records and not IMIS leave records would be migrated to Umoja. RSCE had dedicated resources to reconcile IMIS records with FSS and correct the discrepancies. However, these resources were insufficient for RSCE to meet the deadline of 14 November 2015 for the migration of all leave records from IMIS to Umoja. Also, RSCE had not established a timetable and identified resources to clean leave records after migration to Umoja. Therefore, there was a risk of errors in leave balances that may result in inaccurate financial reporting, financial loss to the Organization and staff losing earned leave days.

(5) RSCE should establish a timetable and allocate resources to clean leave records in Umoja to ensure accurate leave balances for financial reporting purposes.

RSCE accepted recommendation 5 and stated that the clean-up of leave records in Umoja was completed in December 2015 for all RSCE client missions as part of the ramp-up plan. Recommendation 5 remains open pending receipt of evidence that leave records migrated to Umoja have been cleaned.

IV. ACKNOWLEDGEMENT

26. OIOS wishes to express its appreciation to the management and staff of RSCE, MONUSCO, UNMISS and UNISFA for the assistance and cooperation extended to the auditors during this assignment.

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

STATUS OF AUDIT RECOMMENDATIONS

Audit of leave and attendance records in RSCE, MONUSCO, UNMISS and UNISFA

Recom. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	RSCE should implement adequate and effective monitoring procedures to ensure that time and attendance assistants consistently validate the leave of staff based on the relevant supporting documents.	Important	C	Action taken.	Implemented
2	RSCE, MONUSCO and UNMISS should implement monitoring and follow-up procedures to identify and appropriately address unauthorized absences.	Important	O	Receipt of evidence of implementation of monitoring and follow-up procedures to identify and appropriately address unauthorized absences.	30 June 2016
3	MONUSCO and UNMISS, in collaboration with the Department of Field Support, should establish appropriate procedures to prevent the abuse of temporary or occasional unauthorized absences of up to three days.	Important	O	Receipt of evidence of establishment by MONUSCO and UNMISS of appropriate procedures to prevent the abuse of unauthorized absences of up to 3 days, in accordance with the DFS guidance.	30 June 2016
4	UNMISS in collaboration with the Department of Field Support, should identify an appropriate and authorized solution to the banking problems faced by staff members.	Important	O	Receipt of evidence of identification and implementation of appropriate and authorized solution to banking problems faced by UNMISS staff.	30 June 2016
5	RSCE should establish a timetable and allocate resources to clean leave records in Umoja to ensure accurate leave balances for financial reporting purposes.	Important	O	Receipt of evidence that leave records migrated to Umoja have been cleaned.	31 December 2015

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 RSCE, MONUSCO, UNMISS and UNISFA in response to recommendations.

APPENDIX I

Management Response

CONFIDENTIAL

Immediate

TO: Ms. Eleanor Burns, Director
A: Internal Audit Division, OIOS

DATE: **JAN 19 2016**

THROUGH:
S/C DE:

REFERENCE: UNHQ-AR-BOI-Memo-2-
2015-6605

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



SUBJECT: **Audit of leave and attendance records in the Regional Service Centre
OBJET: in Entebbe (Assignment No. AP2015/616/02)**

1. I refer to your memorandum dated 8 December 2015 regarding the above-mentioned audit. We note that OIOS has taken into account our comments provided on 30 November 2015. Nevertheless, DFS is providing additional comments on the findings in the report attached as Appendix I. We have updated Appendix II to reflect the individual responsible for the implementation of the recommendations with the deadline.

2. Thank you for the opportunity to comment on the draft report. We stand ready to provide any further information that may be required.

Cc: Ms. Cynthia Avena-Castillo

Confidential**Audit of leave and attendance records in the Regional Service Centre in Entebbe, the United Nations Organization Stabilization Mission in the Democratic Republic of Congo, the United Nations Mission in the Republic of South Sudan, and the United Nations Interim Security Force for Abyei****Need for adequate and effective control over advance/unauthorised leave****Paragraph 20 - 24**

1. UNMISS wishes to clarify that, in 2012, the United Nations Country Team (UNCT) for South Sudan made a recommendation that national staff salaries be paid in United States dollars (USD). This decision was arrived at on the basis of the prevailing economic situation in South Sudan, which also resulted in United Nations comparators (international non-governmental organisations and commercial companies) paying their employees in USD. Following the recommendation, the United Nations Controller agreed that the salaries of UNMISS national staff would be paid in USD, provided that the payments be made through a wire transfer to a bank account of the concerned staff member, since the complexity, volume and security concerns of South Sudan made it impractical for the United Nations to be involved in direct disbursement of USD cash payments. Subsequently, the Mission issued an information circular informing national staff and national individual contractors of the need for them to open bank accounts in order to receive their salaries in USD. At first this arrangement worked well, since all the States of South Sudan had banks and there was no need for staff to travel to Juba to collect their salaries.

2. With the onset of the crisis in December 2013, all banks stopped operating in three States namely, Unity, Upper Nile and Jonglei States. As a consequence, staff deployed in these States ceased to have access to their salaries to buy food and basic commodities, impacting negatively on staff morale and productivity. Also considering that the majority of national staff working in these three States do not have their families residing with them, there was a pressing need for staff to travel to Juba for banking and wire transfer purposes. Currently, the security situation that led to the banks closing in these three States still prevails, and staff are forced to come to Juba for banking and wire transfer purposes. It is on this basis that the Mission issued an information circular that allows staff two days (exceptionally three days depending on their flight schedule) administrative leave to travel to Juba for banking purposes.

3. Prior to arriving at that decision, the Mission explored various ways of addressing this issue as follows:

- Approaching the banks to resume operations within UNMISS Compounds in the three affected States. The banks declined.

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- Mobile money transfers through Telecom operators. Unfortunately such facilities do not exist in South Sudan.

- Zulu runs. This would be high risk and complex, as recognised by the United Nations Treasurer.

4. There is currently an ongoing United Nations Headquarters Treasury lead procurement process for banking services to be provided in all the States in South Sudan. Until this procurement process is finalised and commercial banks have been identified to operate in the three affected States, the Mission sees the continued need for granting UNMISS staff members employed in the States where there are no banking facilities, Administrative Leave Days or Special Leave with Pay as a special measure in the interim.

Management Response

Audit of leave and attendance records in the Regional Service Centre in Entebbe, the United Nations Organization Stabilization Mission in the Democratic Republic of Congo, the United Nations Mission in the Republic of South Sudan, and the United Nations Interim Security Force for Abyei

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	RSCE should implement adequate and effective monitoring procedures to ensure that time and attendance assistants consistently validate the leave of staff based on the relevant supporting documents.	Important	Yes	Chief, RSCE	N/A	The recommendation has been overtaken by events. With the deployment of Umoja Extension 1 (UE-1), RSCE Human Resources Partners will process leave in accordance with the Time Management Job Aid developed by the Office of Human Resources Management. With UE-1, certain types of leave (Compensatory Time Off, Paternity Leave, Annual Leave, Family Visit, Education Grant Travel, Home Leave and Uncertified Sick Leave) will be effectively approved by supervisors/managers (Primary or Secondary Time Managers in Umoja). These leave categories will not be routed to the Human Resources Partners in the RSCE for review or approval. Regarding Entitlement Travel Leave, the Entitlement Travel Service Line will verify eligibility and will readjust Travel Time upon staff members' return from travel (this applies to the ticket option only). The RSCE will also approve

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

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

Management Response

Audit of leave and attendance records in the Regional Service Centre in Entebbe, the United Nations Organization Stabilization Mission in the Democratic Republic of Congo, the United Nations Mission in the Republic of South Sudan, and the United Nations Interim Security Force for Abyei

Rec. no.	Recommendation	Critical ¹ / Important ₂	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						Maternity Leave, Rest and Recuperation, Certified Sick Leave and Special Leave Without Pay based on the instructions in the above mentioned Job Aid. In addition, with UE-1, staff members are no longer required to submit leave reports in UE-1. Subsequently, the RSCE will no longer review and approve leave.
2	RSCE, MONUSCO and UNMISS should implement monitoring and follow-up procedures to identify and appropriately address unauthorized absences.	Important	Yes	Chief, RSCE DMS, MONUSCO DMS, UNMISS	Second quarter of 2016	The RSCE will define a procedure for the identification and follow-up of unauthorised absences.
3	MONUSCO and UNMISS, in collaboration with DFS, should establish appropriate procedures to prevent the abuse of temporary or occasional unauthorized absences of up to three days.	Important	Yes	DMS, MONUSCO DMS, UNMISS	Second quarter of 2016	DFS requests that paragraph 24 should be reworded to read: <i>“MONUSCO and UNMISS accepted recommendation 3. DFS provided the missions with guidance on how to prevent the abuse of unauthorised absences.”</i>
4	UNMISS and UNISFA should rescind their information circulars allowing staff to take up to three days each month for their personal banking and, in collaboration with the Department of Field Support, identify an appropriate and authorized solution to the banking problems faced by staff members.	Important	Yes	Director, FPD DMS, UNMISS	Second quarter of 2016	Based on our comments in Appendix I, and since UNISFA has already implemented the recommendation (supporting evidence was provided to OIOS under a separate cover), DFS requests that the recommendation should be reworded to read: <i>“UNMISS, in collaboration with DFS, should identify an appropriate and</i>

Management Response

Audit of leave and attendance records in the Regional Service Centre in Entebbe, the United Nations Organization Stabilization Mission in the Democratic Republic of Congo, the United Nations Mission in the Republic of South Sudan, and the United Nations Interim Security Force for Abyei

Rec. no.	Recommendation	Critical ¹ / Important ₂	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<i>authorised solution to the banking problems faced by staff members.”</i> The Department is discussing possible solutions with UNMISS.
5	RSCE should establish a timetable and allocate resources to clean leave records in Umoja to ensure accurate leave balances for financial reporting purposes.	Important	Yes	Chief, RSCE	Implemented	The clean-up of leave records in Umoja was completed in December 2015 for all RSCE client missions as part of the ramp-up plan.