INTERNAL AUDIT DIVISION

REPORT 2016/067

Audit of management of national staff recruitment in the United Nations Assistance Mission for Iraq

Overall results relating to the effective management of national staff recruitment were initially assessed as partially satisfactory. Mission management satisfactorily implemented the audit recommendation but organizational guidance on recruitment of national staff in peacekeeping operations and special political missions is yet to be issued impacting on the effectiveness of the Mission's recruitment process

FINAL OVERALL RATING: PARTIALLY SATISFACTORY

13 June 2016
Assignment No. AP2014/812/03

CONTENTS

AUDIT REPORT

Audit of management of national staff recruitment in the United Nations Assistance Mission for Iraq

I.   BACKGROUND

1.   The Office of Internal Oversight Services (OIOS) conducted an audit of the management of national staff recruitment in the United Nations Assistance Mission for Iraq (UNAMI).

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

3.   The recruitment of national staff in UNAMI is governed by the Staff Regulations and Rules and UNAMI guidelines on national staff selection.

4.   The National Staff Unit (NSU) in the Kuwait Joint Support Office (KJSO) in coordination with hiring managers is responsible for the recruitment of national staff in UNAMI. The Unit is headed by a Human Resources Officer at the Field Service (FS)-6 level reporting to the Human Resources Operations Manager at the P-4 level and is supported by five national staff.

5.   The UNAMI budget and approved staffing for national staff for 2014 were $19.1 million and 557 posts respectively. The budget and approved staffing for 2015 were $19.4 million and 525 posts. The vacancy rate for national staff as at 31 October 2015 was 15.2 per cent.

6.   Comments provided by UNAMI are incorporated in *italics*.

II.   OBJECTIVE AND SCOPE

7.   The audit was conducted to assess the adequacy and effectiveness of UNAMI governance, risk management and control processes in providing reasonable assurance regarding the **effective management of national staff recruitment in UNAMI**.

8.   The audit was included in the 2015 risk-based work plan of OIOS due to operational risks relating to the recruitment of national staff.

9.   The key control tested for the audit was recruitment policies and procedures. For the purpose of this audit, OIOS defined this key control as one that provides reasonable assurance that recruitment policies and procedures are followed in recruiting national staff.

10.   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.

11.   OIOS conducted this audit from September to December 2015. The audit covered the period from January 2013 to October 2015.

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

III.   AUDIT RESULTS

13.   The UNAMI governance, risk management and control processes examined were initially assessed as **partially satisfactory**[1] in providing reasonable assurance regarding the **effective management of national staff recruitment.** OIOS made one recommendation to address the issue identified.

14.   UNAMI worked together with KJSO on the recruitment and onboarding of selected candidates and properly sub-delegated recruitment authority to the Human Resources Operations Manager in KJSO. However, UNAMI needed to prepare recruitment plans and implement a mechanism to inform hiring managers regularly about vacancies that remain unfilled for periods exceeding three months. OIOS also noted that there was no Organization-wide policy for national staff recruitment, which resulted in: (a) UNAMI not establishing a mission review panel to strengthen oversight of the recruitment process; (b) job openings not posted for a sufficient period to allow for applications to be received; (c) inadequate pre-screening of candidates; (d) improper composition of interview panels; (e) inadequate background and reference checks; (f) delayed signing of letters of appointment; and (g) incomplete recruitment case files.

15.   The Field Personnel Division in the Department of Field Support (DFS) advised OIOS that work had re-commenced on revising the administrative instruction on the staff selection system (ST/AI/2010/3), which will include extending the scope of application to include locally-recruited staff in peacekeeping and special political missions. DFS and the Office of Human Resources Management are actively drafting interim guidelines for national staff recruitment that would address these weaknesses and include procedures for monitoring and enforcing mission compliance. These guidelines are expected to be finalized by the end of September 2016. Hence, OIOS did not make a recommendation on the aforementioned observations, but will follow up the issuance of such guidelines to ensure that missions are properly guided when recruiting national staff.

16.   The initial overall rating was based on the assessment of the key control presented in Table 1 below. The final overall rating is **partially satisfactory** as DFS and the Office of Human Resources Management had yet to issue organizational guidance on the recruitment of national staff in peacekeeping operations and special political missions impacting on the Mission's recruitment process.

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[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 national staff recruitment in UNAMI	Recruitment policies and procedures	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
FINAL OVERALL RATING: PARTIALLY SATISFACTORY					

Recruitment policies and procedures

Recruitment plans were not prepared and submitted for approval

17.   UNAMI guidelines on national staff selection and recruitment require hiring managers to prepare a recruitment plan that identifies vacancies that need to be filled and their priorities, and submit it to the Human Resources Section for approval by the Chief of Mission Support. The guidelines also require the Human Resources Section to inform hiring managers of vacancies that exist for three months or more.

18.   A review of 40 of the 134 recruitment cases from January 2013 to October 2015 indicated that hiring managers were not preparing and submitting recruitment plans for approval by the Chief of Mission Support. In eight cases, hiring managers requested NSU to initiate the recruitment process on average 18 months after the vacancies arose. Posts therefore remained vacant for long periods due to lack of approved recruitment plans prioritizing those vacancies to be filled taking into consideration the restructuring of the Mission and the need to abolish posts. Delays were also encountered due to the security situation in Iraq and because the Human Resources Section was not informing hiring managers of vacancies exceeding three months.

19.   As of December 2015, 12 of the 76 national staff vacancies in security, mission support and substantive sections had not been filled for more than two years, on average. Six of these posts have since been abolished or identified for abolishment. Recruitment for one post was in progress but for the remaining five, the hiring managers had yet to request NSU to initiate the recruitment process due to delays in decisions regarding restructuring, change in functional title and inadequate planning.

20.   UNAMI indicated that although it had not prepared recruitment plans in the requisite format, the Mission had recruited 134 national staff through adequate planning during the audit period. A further review of recruitment timelines for 40 cases showed:

- In 21 cases, KJSO did not meet the established 96-day target to complete the recruitment process from the date of hiring manager's request to entry on duty of the recruited staff, with delays averaging 81 days;

- In 10 cases, NSU submitted long lists after the 10 days required by the UNAMI guidelines with average delays of 12 days, while in 29 instances, hiring managers submitted their short lists after the 7-day deadline with average delays of 53 days; and

- In 23 cases, hiring managers submitted evaluation reports after the 7-day deadline with average delays of 22 days.

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(1) UNAMI should prepare and approve recruitment plans and implement a mechanism to inform hiring managers regularly about vacancies that remain unfilled for periods exceeding three months.

UNAMI accepted recommendation 1 and stated that the Mission had established a process to provide quarterly to section chiefs, the staffing table indicating the status of vacant posts in their sections and highlighting positions that have been vacant for more than three months. When applicable, advance notification would be provided to hiring managers six months in advance of impending retirements for them to prepare and/or update recruitment plans for their sections. Based on the action taken by UNAMI, recommendation 1 has been closed.

Standard procedures were not in place for the recruitment of national staff

21.   While there is an administrative instruction to guide the selection of other staff, there is none for the appointment and selection of national staff (General Service and National Professional Officers [NPOs]) in peacekeeping operations and special political missions. UNAMI uses its own set of guidelines on national staff selection, which were not fully effective in managing the recruitment process as evidenced by the following observations:

(a) Job openings were not posted to allow sufficient time to receive applications

22.   The UNAMI guidelines on national staff selection and recruitment require the posting of job openings for a minimum of 14 days. In OIOS' opinion, this is not sufficient to allow for adequate advertisement of vacancies. For instance, the DFS draft guidelines, dated July 2010 for the selection of locally recruited staff provide that post-specific job opening will normally be posted for 30 calendar days, but may exceptionally be posted for 15 calendar days to meet immediate operational requirements. The guidelines, although never finalized, showed the intent of DFS in this matter.

23.   In all 40 cases reviewed, UNAMI posted announcements on its website for 14 days. As the DFS guidelines were never finalized, NSU followed the mission-specific policy of 14-day minimum posting. OIOS observed that NSU re-advertised vacancies in 4 of the 40 recruitment cases reviewed due to inadequate pool of applicants. This further delayed the recruitment process up to one year and three months in one instance where a vacancy was re-advertised.

(b) Pre-screening of candidates needed improvement

24.   The UNAMI guidelines on national staff selection and recruitment require screening of applicants against the requirements of the job openings. A review of 20 recruitment files for NPOs indicated that in 11 cases, some shortlisted candidates did not meet the academic requirements of the job openings. In one instance, the candidate that was eventually selected for the post had an academic qualification that was not related to the post although the candidate had the relevant experience.

(c) Interview panels were not properly constituted

25.   The UNAMI guidelines on national staff selection and recruitment require the constitution of interview panels with members from both genders and at least one member that has completed the competency-based interview training. A review of 40 recruitment cases indicated the following:

- In 23 cases, none of the panel members had completed the competency-based interview training. This resulted as the Mission had not conducted the requisite training in 2012 and 2013 due to lack of certified trainers. UNAMI provided training to four staff in Erbil and five in Baghdad in 2014 and 2015 respectively. However, in 10 of the 15 sampled cases relating to 2015, the interview panels did not include trained interviewers; and

- In seven cases, interview panels were not composed of both male and female members due to oversight and inadequate collaboration among hiring managers to assemble diverse teams from various sections. For example, the Engineering and Human Rights Sections did not include interviewers from other sections to ensure gender balance.

(d) Reference and background checks needed improvement

26. As the UNAMI recruitment guidelines did not provide specific guidance to NSU on the reference verification process, NSU adopted a system of contacting educational institutions to verify credentials only of NPOs and requesting General Service staff to provide copies of academic certificates. In addition, NSU requested former employers of the selected candidates to confirm their work experience.

27. A review of 40 recruitment cases comprising 20 NPOs and 20 General Service staff indicated that, in all cases: NSU verified work experience of selected candidates from their former employers and placed scanned copies of their academic certificates in their personnel files; however, NSU did not indicate that the Unit had seen the original certificates. In all 20 cases for General Service staff, NSU did not independently verify academic certificates with the respective educational institutions as the Unit was of the view that recruitment guidelines did not specifically require such verification. As a result, there was an increased risk of recruiting staff without the requisite qualifications and skills.

(e) Appointment letters were signed late by recruited staff

28. The UNAMI guidelines on national staff selection and recruitment require that candidates selected to fill a post sign initial letters of appointment on finalization of the recruitment process. A review of national staff contracts indicated that 4 of the 40 staff did not sign their initial contracts for periods ranging from six months to one year after the start of the assignment. These letters were signed by the concerned staff only after OIOS requested copies of employment contracts. In addition, a staff member who joined UNAMI in September 2013 and separated in January 2015 never signed a letter of appointment. The lack of signed contracts exposed UNAMI to legal risk in the event of disputes with concerned staff members.

(f) Recruitment files were incomplete

29. The UNAMI guidelines on national staff selection and recruitment require NSU to maintain adequate records to support selection decisions made by hiring managers. A review of 40 recruitment files indicated that: in 35 cases, the evaluation report of the shortlisted candidates was not maintained; and standard checklists were not prepared in any of the 40 cases to ensure completeness of the recruitment files. Inadequate documentation of the recruitment process meant that UNAMI could not demonstrate the competitiveness of the recruitment process and/or support the hiring managers' decisions.

30. The above exceptions resulted because there was no overall policy on the recruitment of national staff. Consequently, missions do not have standard guidelines and benchmarks with which to carry out national staff recruitment activities, resulting in weak recruitment practices. The absence of an independent mission review panel, which would be responsible for ensuring that candidates were

evaluated objectively and that proposals by hiring managers were justified, contributed to some of the above lapses and impacted the competitiveness and integrity of the recruitment process.

31.   UNAMI explained that it: was using the standard practice being used by DFS for reference and background checks for selection of international staff; would enhance documentation procedures where it was not practicable to conduct reference checks of academic qualifications and previous employment; and would strengthen existing controls to ensure completeness of recruitment case files. UNAMI also indicated that a mission review panel would protract the recruitment process.

32.   The Field Personnel Division advised OIOS that work had re-commenced on revising the administrative instruction on the staff selection system (ST/AI/2010/3), which will include extending the scope of application to include locally-recruited staff in peacekeeping and special political missions. DFS and the Office of Human Resources Management are actively drafting interim guidelines for national staff recruitment that include procedures for monitoring and enforcing mission compliance. These guidelines are expected to be finalized by the end of September 2016. In view of this, OIOS did not make a recommendation, but will follow up the issuance of such guidelines to ensure that missions are properly guided when recruiting national staff.

IV.   ACKNOWLEDGEMENT

33.   OIOS wishes to express its appreciation to the Management and staff of UNAMI 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 management of national staff recruitment in the United Nations Assistance Mission for Iraq

Recom. no.	Recommendation	Critical[2]/ Important[3]	C/ O[4]	Actions needed to close recommendation	Implementation date[5]
1	UNAMI should prepare and approve recruitment plans and implement a mechanism to inform hiring managers regularly about vacancies that remain unfilled for periods exceeding three months.	Important	C	Action complete.	Recommendation implemented

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[2] 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.

[3] 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.

[4] C = closed, O = open

[5] Date provided by UNAMI in response to recommendations.

APPENDIX I

Management Response

INTER OFFICE MEMORANDUM

Date: 05 June 2016
Ref No: CMS-016/76

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

From: Maqbool Mohammad
        Chief Mission Support

SUBJECT: **Revised draft audit report on an audit of recruitment of national staff in the United Nations Assistance Mission for Iraq (Assignment No. AP2014/812/03)**

We refer to your memo reference IAD 16-812-03 dated 22 May 2016 on the above subject inviting us to provide comments on the recommendations, an action plan with target dates, and titles of individuals responsible for implementing the recommendations.

Our detailed response to the recommendation is included in the attached matrix (Annex I).

We acknowledge the audit team's ongoing diligent work and look forward to our continued effective and fruitful working relationship.

cc: Ms. Chhaya Kapilashrami, Director, Field Personnel Division, DFS
      Mr. Mark Rutgers, Chief of Staff, UNAMI
      Mr. Thomas Wilson, Human Resources Operating Manager, Kuwait Joint Support Office
      Mr. Clifford Dias, Chief, Kuwait Joint Support Office
      Ms. Huda Shahwan, Chief Human Resources Officer, UNAMI
      Mr. Henri Fourie, Chief, Audit Response Unit, DFS
      Mr. Bennet Opini, Audit Focal Point, UNAMI
      Ms.Cynthia Avena-Castillo, Professional Practices Section, Internal Audit Division, OIOS

Management Response

Audit of recruitment of national staff in United Nations Assistance Mission for Iraq

Rec. no.	Recommendation	Critical[1]/ Important[2]	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	UNAMI should prepare and approve recruitment plans and implement a mechanism to inform hiring managers regularly about vacancies that remain unfilled for periods exceeding three months.	Important	Yes	Chief Human Resources Officer	30 June 2016	UNAMI Human Resources Section has a process in place whereby on a quarterly basis Section Chiefs are provided with the staffing table indicating the status of vacant posts in their respective Sections, and bringing to their attention positions that have been vacant for more than three months. A copy of the most recent such notification, sent on 21 April 2016 is attached (*Annex II*). At present, UNAMI does not have any staff member retiring within the next six months. When applicable, advance notification will be provided to concerned Hiring Managers six months in advance for them to to prepare and/or update their recruitment plans for their respective Sections. This recommendation is now fully implemented and UNAMI requests its closure.

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[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.