



OIOS

Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

AUDIT REPORT

Human resources management in UNTSO

**Provision of support by other regional
peacekeeping missions for UNTSO's military
observers could result in significant cost savings**

18 September 2008

Assignment No. AP2007/674/02

United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTRÔLE INTERNE
INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE

TO: Major-General Ian Gordon
A: Chief of Staff
United Nations Truce Supervision Organization

DATE: 18 September 2008

FROM: Dagfinn Knutsen, Director
DE: Internal Audit Division, OIOS



REFERENCE IAD: 08- 01761

SUBJECT: **Assignment No. AP2007/674/02 – Audit of human resources management in UNTSO**
OBJET:

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we are pleased to inform you that we will close recommendations 8, 13, 16 and 17 in the OIOS recommendations database as indicated in Annex 1. In order for us to close the remaining recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.
3. Your response indicated that you did not accept recommendation 7. In OIOS' opinion however, these recommendations seek to address significant risk areas. We are therefore reiterating them and requesting that you reconsider your initial response based on the additional information provided in the report.
4. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendations 1, 5, 10, 14 and 15), in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Ms. Cecilia McGill, Chief Mission Support
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Maria Gomez Troncoso, Officer-in-Charge, Joint Inspection Unit Secretariat
Mr. Jonathan Childerley, Chief, Oversight Support Unit, Department of Management
Mr. Seth Adza, Operations Review Officer, DFS
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INTERNAL AUDIT DIVISION

FUNCTION

“The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization” (General Assembly Resolution 48/218 B).

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EXECUTIVE SUMMARY

Human resources management in UNTSO

The Office of Internal Oversight Services (OIOS) conducted an audit of human resources management in the Office of the United Nations Truce Supervision Organization (UNTSO). The overall objective of the audit was to assess the adequacy and effectiveness of human resources management and accountability mechanisms. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

UNTSO has made significant efforts to integrate its support services with those of The United Nations Interim Force in Lebanon (UNIFIL) and the United Nations Disengagement Observer Force (UNDOF) potentially achieving significant savings through reductions in the level of authorized posts. At the same time, OIOS identified control deficiencies in UNTSO's human resources management practices that need to be addressed.

There was no Human Resources Action Plan to monitor compliance with human resources management principles. Furthermore, the Mission had not formally described in an information circular the roles and responsibilities of its executive direction and management functions and those of all other organizational units defining their reporting lines, oversight and monitoring mechanisms, and accountability.

There were discrepancies in the post database regarding post incumbency status, name of incumbent, post numbers, post titles and deployment. The Field Personnel Management System (FPMS) and the Integrated Management Information System (IMIS) post records could not be reconciled due to the lack of IMIS-specific references in FPMS records. UNTSO had a 32 per cent vacancy rate as 40 of its 125 authorized posts were vacant.

The national staff selection process lacked transparency as the process was non-competitive. Recruitment and promotion case files did not contain relevant records resulting in the lack of an audit trail of recruitment decisions.

There are possibilities for synergies in the provision of administrative services by the various peacekeeping missions in the region to support UNTSO military observers. To achieve substantial savings in support costs, UNTSO management should review the current level of resources allocated to its administrative arrangements in the other missions to determine if these services could be provided on a more cost effective basis. In this regard, significant efforts are being undertaken by UNTSO, the Department of Field Support and the Department of Peacekeeping Operations to review and address this.

OIOS made a number of recommendations to strengthen internal controls and improve procedures.

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I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of human resources management in the Office of the United Nations Truce Supervision Organization (UNTSO). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. UNTSO's proposed programme budget for the 2008-2009 biennium (A/62/6 Sect. 5) amounted to \$62.3 million. The budget included \$43.3 million to cover the costs of 261 established posts, and \$19 million for operational requirements. Table 1 provides details of UNTSO's resources covering the three most recent fiscal years.

Table 1: Budget appropriations/proposals and post levels¹

Items	2004 -05	2006-07	2008-09
I. Total appropriations/proposal (in \$'000)	58,814	62,270	62,346
II. Authorized strength			
International staff	125	125	120
National staff	123	123	141
Total	248	248	261

3. UNTSO's authorized staffing table for 2006-07 consisted of 248 posts, including 125 international posts with 9 international professional and above posts, 113 Field Service, 3 General Service and 123 national posts at the General Service level. General Assembly resolution A/RES/61/244 sets out the Organization's human resources management principles and new directions. Currently, administrative instruction ST/AI/2002/3 governs the performance appraisal system. Under the supervision of UNTSO's Chief Administrative Officer, Chief Civilian Personnel Officer is responsible for staffing and administration of UNTSO's human resources.

4. Comments made by UNTSO are shown in *italics*.

II. AUDIT OBJECTIVES

5. The main objectives of the audit were to assess whether:

(a) Established accountability mechanisms complied with the Organization's human resources management principles;

(b) Human resources management systems and processes promoted transparency and ensured selection of qualified staff;

¹ UNTSO: 2004-05 and 2006-07 (A/60/6 Sect. 5) and 2008-2009 proposal (A/62/6 Sect. 5)

(c) UNTSO complied with relevant provisions of ST/AI/2002/3 and DPKO guidelines in managing its staff performance and embraced mandatory training courses;

(d) UNTSO collaborated with UNIFIL and UNDOF to optimize the use of support services provided to each in order to support UNTSO military observers; and

(e) Medical insurance plan claims were processed in compliance with the established procedures.

III. AUDIT SCOPE AND METHODOLOGY

6. The audit focused on UNTSO's human resources management activities covering the period from 1 January 2006 to 31 October 2007. OIOS reviewed records on human resources management accountability mechanisms, recruitment and staffing, post management, performance appraisal system, medical insurance plan claims, training activities and consultancy services. The review included an examination of systems and procedures used to record, track, and manage personnel information systems in order to assess their validity and effectiveness. OIOS also interviewed UNTSO officials responsible for the management and supervision of human resources.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Accountability and governance

7. Under the delegated authority from the Office of Human Resources Management (OHRM), the Department of Field Support (DFS) is responsible for recruitment and staffing in field missions. However, in its resolution 56/241, the General Assembly reaffirmed OHRM's role as the central authority in articulating overall human resources policies and in monitoring how departments and offices exercise the authority delegated to them in order to ensure that the highest standards of efficiency, competence and integrity serve as the paramount consideration in the employment of staff.

8. By its resolution A/RES/61/244, the General Assembly considered the Secretary-General's reports, including those on human resources management (A/61/228 and Corr.1), on investing in people (A/61/255), and on reforming the Field Service Category: investing in meeting the human resources requirements of United Nations peace operations in the twenty-first century (A/61/255/Add.1), and decided on 17 human resources management issues including:

- Recruitment and staffing
- Mobility
- Contractual arrangements
- Reform of the field service

-
- Measures to improve equitable geographical distribution
 - Gender representation
 - Accountability
 - Employment of retired staff

9. OHRM uses the Human Resources Action Plan as a standard tool to monitor compliance by major organizational units with the above principles. Toward that end, OHRM had agreed to implement OIOS' recommendation, in the context of the comprehensive DPKO management audit (A/60/717), to establish a DPKO-OHRM Human Resources Action Plan in each peacekeeping mission. However, although UNTSO is an established mission operating since 1948, DFS and OHRM have not developed a Human Resources Action Plan for the Mission.

Recommendation 1

(1) UNTSO Management should request the Department of Field Support and the Office of Human Resources Management to establish a Human Resources Action Plan for the Mission to assist in monitoring compliance with the Organization's human resources management principles.

10. *UNTSO Management accepted recommendation 1 stating that during the Chief of Civilian Personnel Officer (CCPO) Conference held in Cairo from 4-9 May 2008, the Field Personnel Division informed all DPKO Missions that the Human Resources Action Plan (HRAP) is scheduled to be rolled out to all field missions by the end of July 2008. OIOS will close recommendation 1 in its database upon receipt of documentation showing that DPKO has rolled out the HRAP to all field missions.*

Roles and responsibilities of UNTSO's organizational units

11. UNTSO's mandate consists of three components: (a) military; (b) political and civil affairs; and (c) support. The Mission's executive direction and management is responsible for overseeing these components to ensure that programme activities are carried out effectively and in accordance with the Organization's regulations and rules. Coordination of these three components and integration of military and civilian personnel for logistical support are crucial in achieving the Mission's mandate.

12. Each of these programme components is structured into several organizational units. However, the roles and responsibilities of these units were not formally described in an information circular defining their reporting lines and accountability. Also, a description of executive direction and management functions is critical in establishing accountability and monitoring mechanisms for policy direction, coordination, public information and reporting functions.

13. In May 2005, the Secretary-General established the Management Performance Board (ST/SGB/2005/13) to monitor and analyze the manner in which senior managers exercise all aspects of their authority to ensure that they

are properly carrying out their responsibilities, including achievement of the objectives in human resources action plans and fulfilling performance expectations in their compacts with the Secretary-General. In addition, the Secretary-General's report A/61/312 outlines measures to strengthen accountability in the United Nations, which include improving executive-level decision-making, enhancing the Performance Appraisal System, ensuring ethical conduct and enhancing transparency.

Recommendation 2

(2) UNTSO Management should issue an information circular describing the roles and responsibilities of executive direction and management and those of all other organizational units defining their reporting lines, oversight and monitoring mechanisms and accountability.

14. *UNTSO Management accepted recommendation 2 stating that the Mission is reviewing the roles and responsibilities of the executive direction and management of UNTSO's three components (military, civilian and political) and appropriate action in line with the recommendation would be initiated. OIOS will close recommendation 2 in its database upon receipt of a copy of an information circular describing the roles and responsibilities of executive direction and management and those of all other organizational units defining their reporting lines, oversight and monitoring mechanisms and accountability.*

Appointment of staff without assessment by central review bodies

15. In accordance with ST/SGB/2002/6 central review bodies are established to consider criteria proposed by the department/office for the evaluation of candidates to ensure that these criteria are objective and related to the functions of the post and reflect relevant competencies. These bodies review the proposals for filling vacancies prepared by the department/office to ensure that candidates were evaluated on the basis of the pre-approved criteria, the applicable procedures were followed and the head of the department/office considered the Organization's human resources planning objectives, especially with regard to geography and gender balance.

16. In 2006-2007 UNTSO recruited and appointed 11 international staff who should have been subject to review by the central review bodies. There was no evidence that candidates short-listed by the mission were assessed by a review body. In response to OIOS' inquiry, DFS stated that while candidates for UNTSO posts were not reviewed by a central review body, it planned to introduce such a mechanism in the field during 2008.

Recommendation 3

(3) UNTSO Management should ensure that candidates for positions are assessed by a central review body as per the provisions of ST/SGB/2002/6 and in accordance with the

delegation of authority from the Office of Human Resources Management.

17. *UNTSO Management accepted recommendation 3 stating that UNTSO fully supports the granting of the delegation of authority by DFS for the establishment of such a mechanism in the field as it will alleviate the delay in the selection process for filling vacant posts. OIOS will close recommendation 3 in its database upon receipt of evidence that staffing in UNTSO is subject to assessment by central review bodies.*

UNTSO needs to establish an organizational structure for the Civilian Personnel Section

18. The Civilian Personnel Section's (CPS) authorized staffing table consists of 11 posts as shown below:

Table 2: CPS authorized staffing table

Post level	No. of posts
FS-7	1
FS-6	1
FS-5	1
FS-4	4
GS-National	4
Total:	11

19. In the existing administrative structure, all staff in the Section report to the Chief Civilian Personnel Officer (CCPO) or to the Officer-in-Charge during the CCPO's absence. There was no evidence that the Section had established an organization chart with functions and reporting lines at each level. Management of 248 posts in a centralized reporting structure creates inefficiency in personnel management and dilutes accountability. Moreover, UNTSO's operations are located in five different locations in the Middle East region with administrative support staff in these locations. It is a common practice in peacekeeping missions to organize the Human Resources Management Section into International and National Units, and this practice could also be relevant in UNTSO given that the Mission's staffing table consists of 125 international and 123 national posts.

20. The responsibility for processing national staff recruitment was assigned to a national personnel assistant in the Civilian Personnel Section. In OIOS' view, the role of national staff in recruiting other national staff should be limited in order to avoid any appearance of a lack of transparency. This could have been avoided had UNTSO established an organizational structure for the CPS with clear reporting lines among each functional unit within the Section.

Recommendations 4 and 5

UNTSO Management should:

- (4) Organize the Civilian Personnel Section's responsibilities into functional units with clear reporting lines at each functional level; and**
- (5) Limit the assignment of national Personnel Assistants, to the extent possible, in processing recruitment of national staff in order to avoid any appearance of a lack of transparency.**

21. *UNTSO Management accepted recommendation 4 and stated that the Civilian Personnel Section is currently being restructured and re-engineered in order to streamline and improve its day to day operations. OIOS will close recommendation 4 in its database upon receipt of a copy of the Section's revised organization chart.*

22. *UNTSO Management accepted recommendation 5. OIOS will close recommendation 5 in its database upon receipt of a copy of the Section's revised organization chart.*

B. Post management

Post management

23. Effective January 2006, the UNTSO Administration transferred the post management functions from the Budget Office to the CPS. At that time, an attempt was made to reconcile posts between the Nucleus and the Field Personnel Management System (FPMS) post databases. The reconciliation exercise revealed numerous discrepancies in post status (vacant/incumbent), name of incumbent, post numbers, post titles and deployment to sections. For example, FPMS records showed posts numbered 3299 and 3454 as being with the Medical Unit while the Nucleus records showed them in the Telecommunication and IT Section. The results of this reconciliation were communicated to DPKO (now DFS) in February 2006. As of the time of the audit, the records had not yet been reconciled.

24. UNTSO does not use the Integrated Management Information System (IMIS) post numbers as established in the authorized staffing table and related allotment advice. For example, as per allotment advice 07001626 dated 9 October 2007, the post of the Head of the Mission is listed as UNA005-03201EASG0001, while the UNTSO staffing situation report lists the same post as UNR-02131EASG001. Additionally, FPMS and IMIS post records could not be reconciled due to the lack of IMIS-specific references in the FPMS records.

Recommendations 6 and 7

UNTSO Management should:

(6) Follow up with the Department of Field Support to complete the reconciliation of the post database begun in 2006; and

(7) Use the Integrated Management Information System post numbers to report its staffing situation.

25. *UNTSO Management accepted recommendation 6 stating that in February 2008, it established a Working Committee on Post Management Review which was tasked to reconcile posts as per authorized staffing table and related approved allotment advice. The Committee has made progress in its review and has put forward recommendations to UNTSO Management to facilitate completion of the post reconciliation. OIOS will close recommendation 6 in its database upon receipt of a copy of the post reconciliation document prepared by the Working Committee on the Post Management Review.*

26. *UNTSO Management disagreed with recommendation 7 stating that IMIS database includes the correct IMIS numbers with their correct corresponding BIS post numbers. However, they are totally separate codes. The former is an HR coding used in IMIS, while the latter is for budgetary identification. UNTSO uses the IMIS code numbers. In OIOS view, this explanation is inaccurate as two separate BIS post numbers - UNA005-03201EASG0001 in allotment advice and UNR-02131EASG001 in the UNTSO staffing situation report - were shown for the Head of Mission post. The Mission has not been using the IMIS post numbers. Therefore, it is important that IMIS post numbers be used in order to ensure consistency and avoid discrepancy between records. OIOS is reiterating recommendation 7 and requests the Mission to reconsider its initial response.*

High international staff vacancy rates

27. The vacancy rates for UNTSO international staff was 32 per cent as of October 2007. Table 3 provides the details of vacant posts as reflected in UNTSO's incumbency report.

Table 3: UNTSO vacancy rate of international staff

	Staffing table	Incumbency	Vacancy	Vacancy rate (%)
D-1 and above	3	3	0	0
P-2 – P-5	6	4	2	33
FS	113	76	37	33
GS	3	2	1	33
TOTAL	125	85	40	32

28. The above vacancies included such key positions as Senior Administrative Officer, Chief Civilian Personnel Officer, Chief Information Technology Section and Chief Transport Officer. At the same time the monthly

staffing complement report at 31 October 2007 submitted by UNTSO to the Field Personnel Division/DFS indicated the vacancy rate for international staff as 17.6 per cent. OIOS was informed that the difference between the incumbency report and the monthly staffing complement as well as the high vacancy rate in the FS category was partially caused by including in the vacancy statistics incumbency report staff who were on mission detail to DPKO special missions, and whose posts are not shown as blocked. This explanation indicates that the incumbency report is not accurate and that the vacancies are not reviewed to determine their nature and duration so that appropriate personnel actions could be taken to fill them on a timely basis

Recommendations 8 and 9

UNTSO Management should:

- (8) Periodically review vacancies to determine their nature and duration and identify the actual vacancies which require initiation of the staff selection process; and**
- (9) Fill all vacant posts, particularly the vacancies at the chief level in a timely manner to enable the Mission to more effectively carry out its activities.**

29. *UNTSO Management accepted recommendation 8 stating that UNTSO vacancies are reviewed and monitored through three different periodic monthly reports (Monthly staffing Complement, CMS Monthly Report & Monthly Management Information Report) available locally. These reports reflect the actual status of staff members who are on-board and assist the Mission in its periodic review of vacancies. Based on the information provided in the UNTSO response, OIOS will close recommendation 8 in its database.*

30. *The UNTSO Management accepted recommendation 9 stating that the recommendation has already been implemented as critical vacancies at the chief level have been filed and that the selected candidates have already reported for duty. The Mission further elaborated that recruitment is on-going in various sections in a bid to fill all vacant posts by the end of the third quarter of the year. OIOS will close recommendation 9 in its database upon receipt of documentation showing that vacant posts have been filled.*

C. Staff selection process

Staff selection process lacked transparency

31. The staff selection process for national staff lacked transparency as the process was not competitive. Based on UNTSO's interpretation of the August 1996 guidance issued by DPKO, which DFS reconfirmed as valid in its 3 December 2007 fax, UNTSO limited the national staff selection process to only internal candidates. Furthermore, the internal vacancies excluded candidates from UNSCO and other UN agencies in the area. As a result, the number of applications received for internal vacancies was low, and in some cases was

limited to only one candidate. Even for external vacancies, the number of applications received was extremely low despite the fact that the Mission is located in Jerusalem, which is not a hardship duty station. Furthermore, there was no evidence that the external vacancies were advertised in local newspapers. For example, the recruitment of a Finance Assistant elicited only six applications - three internal and three external - and of the three external candidates two were from UNSCO.

32. UNTSO used ST/AI/1999/8, which is no longer in effect to promote its national staff against their reclassified post levels based on the May 2007 DFS guidance. The guidance essentially waived the requirement of a vacancy announcement for the upgraded post by justifying that the incumbent performed the duties of the reclassified post for at least 3 years. This contradicts DFS' June 2007 Draft Standard Operating Procedures on the selection of field mission staff.

Recommendations 10 and 11

UNTSO Management should:

(10) Widely circulate external vacancies in order to elicit an adequate pool of qualified candidates; and

(11) Coordinate with the Department of Field Support to determine if the Mission needs to adopt the June 2007 Draft Standard Operating Procedures for the selection of field mission staff. There is a need to provide uniform guidance to field missions.

33. *UNTSO Management accepted recommendation 10 stating that the recommendation has already been implemented. The Mission now advertizes external vacancies in local newspapers both in Hebrew and Arabic, and all vacancies are posted in its website for maximum exposure and to attract as many applicants as possible. OIOS will close recommendation 10 in its database upon receipt of a sample of the UNTSO posts advertized in both Hebrew and Arabic language local newspapers.*

34. *UNTSO Management accepted recommendation 11 stating that it is in full support of adopting the draft standard operating procedures for the selection of field mission staff upon DFS' approval and authorization for full implementation. OIOS will close recommendation 11 in its database upon receipt of a copy of the approved standard operating procedures for the selection of field staff.*

Completeness and reliability of national staff selection records

35. To assess the completeness and reliability of records regarding UNTSO's national staff selection system, OIOS reviewed 13 of some 50 recruitment and promotion case files for fiscal year 2006-07. The review disclosed that the case files were not complete and documents were filed in the wrong files making it

difficult to trace related recruitment actions in each case. Table 4 provides examples of documents that were not in case files.

Table 4: Documents not on file for the recruitment and promotion of national staff

Documents	In file	No document filed	Total files reviewed	Compliance rate (%)
Request for recruitment action	2	11	13	15
Vacancy announcement	4	9	13	30
Applications and CV's of rejected candidates	0	13	13	0

Recommendation 12

(12) UNTSO Management should maintain recruitment and promotion case files with complete records so that a proper audit trail of recruitment decisions is available.

36. *UNTSO Management accepted recommendation 12 stating that the Civilian Personnel Section is in the process of reviewing and reorganizing its recruitment and promotion case files dating back to January 2007 to ensure the availability of complete records of recruitment decisions. OIOS will close recommendation 12 in its database upon receipt of a copy of the new filing system approved for the recruitment and promotion cases.*

Engagement of a job classification consultant

37. According to its 2004-2005 personnel records, UNTSO engaged a consultant to conduct a classification review exercise and, who, as shown in Table 5, was paid \$123,690.

Table 5: Consultancy contracts relating to the classification exercise

Contract No.	Period	Duration (days)	Contract fee	Costs to UNTSO (\$)		
				Fees	DSA ^{1/}	Airfare (estimate) ^{2/}
IC#94	29/09/04 – 03/10/04	36	\$400/day	14,400	8,244	5,000
M4J-117	22/10/04 – 22/12/04	31	\$400/day	12,400	7,099	5,000
M5J-21	06/02/05 – 05/04/05	59	\$400/day	23,600	13,511	5,000
M5J-71	13/04/05 – 30/09/05	N/A	\$100/per job description	6,600	N/A	N/A
M5J-67	03/10/05 – 31/10/05	28	\$400	11,200	6,636	5,000
TOTAL		154		68,200	35,490	20,000
GRAND TOTAL				123,690		

^{1/} Contracts IC#94, M4J-117 and M5J-21 at \$229 per day; contract M5J-67 at \$237 per day

^{2/} Contract IC#94 – business class USA – Israel – USA; contracts M4J-117 and M5J-67 business class Mongolia – Israel - Mongolia

38. In accordance with Section 2 of ST/AI/1999/7, “consultants may be hired only when the following conditions are met: (b) the need for the required services cannot be met from within the staff resources...for lack of specialized knowledge and/or expertise”. The programme manager of the post being reclassified is responsible for preparing a revised job description which is sent to the Chief of Civilian Personnel Section for review and certification. Once the Head of Mission approves the revised job description, a classification request is sent to the OHRM for classification and approval. The classification exercise, therefore, is done in-house using staff resources.

39. Furthermore, contrary to the requirements of ST/AI/1997/7, OIOS noted the following discrepancies:

- The consultant’s terms of reference was prepared only for one contract of the five (M4J-117) and even these terms of reference did not provide details of the planned work;
- Only one consultant progress report was available, and that document was apparently prepared by the then CAO as a note to the consultant which he countersigned;
- There was no record of medical clearance;
- There was no evidence that the consultant produced any output on the work assigned;
- The consultancy file was not maintained properly as the documents pertaining to the consultant’s work were available in a piecemeal manner in CPS, the Office of the Chief Administrative Officer and the Finance Section; and
- Despite the lack of terms of reference and outputs, the consultant’s performance was evaluated as excellent.

40. In OIOS’ opinion, the engagement of these consultancy services was not justified as the classification exercise should have been done in-house using staff resources. Additionally, in the absence of consultancy terms of reference and outputs there was no assurance that UNTSO achieved any benefits from the consultant’s engagement.

41. OIOS is not issuing a specific recommendation to UNTSO concerning these matters as the consultancy was approved by OHRM due to the lack of available expertise. However, in OIOS’ view, the Mission needs to more effectively monitor consultant performance and, to the extent possible, develop in-house expertise to carry out such post reconciliations.

Pending cases of movement to higher level positions

42. At the time of the audit, 30 promotion cases that UNTSO had submitted to Headquarters were pending with the Field Personnel Division/DFS and with OHRM for at least six months. Table 6 provides cumulative statistics of the pending cases:

Table 6: Cases of movement to higher level pending with DFS and OHRM

Personnel action	Number of cases pending for:		
	6 to 9 months	9 to 12 months	More than 12 months
Promotion to FS-6	-	6	2
Promotion to FS-4	1	1	-
Promotion to GS-7	-	1	-
Promotion to GS-6	1	-	-
Promotion to GS-5	3	2	-
Promotion to GS-4	4	3	2
Other	2	1	1
TOTAL	11	14	5

43. The status of these actions remained unclear despite numerous reminders. OIOS is presently conducting an audit of DFS Human Resources Management and will review why such cases take an inordinate amount of time to be reviewed.

D. Performance appraisal system

44. OIOS' review of UNTSO's 2005-2006 performance appraisal system (e-PAS) statistics as of 31 October 2007 showed a 75 per cent completion rate for international and national staff. Mission officials explained that some e-PASs remained incomplete because the staff on temporary duty (TDY) to other missions were still shown as UNTSO staff in the personnel records while the e-PASs were prepared at other missions.

45. OIOS also noted that almost 50 per cent of UNTSO's staff received a rating of "frequently exceeds performance expectations" against the established norm of about 35 per cent.

Recommendation 13

(13) UNTSO Management should ensure that the provisions of ST/AI/2002/3 and the Department of Peacekeeping Operations HR Handbook on performance appraisal system are adhered to regarding the timely completion e-PAS.

46. *UNTSO Management accepted recommendation 13 stating that it will re-establish and strengthen the role of the local Management Review Committee*

and Joint Monitoring Committee to provide UNTSO management with leadership and guidance on e-PAS matters. Considering the information provided, OIOS will close recommendation 13 in its database.

E. Posts in support of UNTSO military observers with UNDOF and UNIFIL

47. UNTSO military observers assigned to the Israel-Lebanon and Israel-Syrian sectors are placed under the operational control of the commanders of UNIFIL and UNDOF. In this regard, according to its authorized staffing table, UNTSO had assigned 19 international and 20 national staff. Also, according to UNTSO allotment advice 07001626 dated 9 October 2007, an additional 53 international and 82 national posts (or 54 per cent of UNTSO's staffing table) were financed as support to UNIFIL and UNDOF operations. (See table 7 below).

Table 7: UNTSO posts supporting other missions in the region

Distribution	Posts					Budget
	P and above	GS	LL	FS	Total	
UNTSO	6	3	1	13	23	\$15,631,300
UNTSO Security and Safety	3	-	20	28	51	9,090,800
UNTSO (operationally under UNIFIL)	-	-	7	7	14	6,206,800
UNTSO (operationally under UNDOF)	-	-	13	12	25	10,664,100
UNTSO Support to UNIFIL (Headquarters)	-	-	33	22	55	8,314,800
UNTSO Support to UNDOF (Headquarters)	-	-	49	31	80	12,362,700
Totals	9	3	123	113	248	\$62,270,500

48. OIOS had requested, but did not receive explanations from UNTSO headquarters about the nature of the support UNTSO provides to UNIFIL and UNDOF. It is OIOS' understanding that the allotment components entitled "UNTSO Support to UNIFIL (Headquarters)" and "UNTSO Support to UNDOF (Headquarters)" relate to the administrative backstopping of UNTSO military observers at Israel-Lebanon and Israel-Syrian sectors and include practically all administrative support services of UNTSO's office in Jerusalem.

49. OIOS visited the UNTSO Observer Group in Lebanon (UNTSO-OGL) located at UNIFIL Headquarters. An Administrative Officer headed the UNTSO-OGL office comprising 14 staff, which provided support services to 51 UNTSO military observers who are operationally under UNIFIL's control. There was little collaboration between the UNTSO-OGL located at UNIFIL Headquarters and the UNIFIL Administration in order to achieve synergies between UNIFIL and UNTSO-OGL support services. Except for assigning a mechanic to the UNIFIL transport workshop and receiving vehicle spare parts and expendable supplies on a reimbursable basis, the UNTSO-OGL maintained

no operational linkage with UNIFIL support services. This occurred despite a formal arrangement under a Letter of Understanding (LOU) between UNTSO and UNIFIL to do so while respecting their separate mandates. Instead, UNTSO-OGL supported the military observers under UNIFIL's operational responsibility independent of the UNIFIL support services.

50. Similarly, OIOS understands that UNTSO has also established an administrative arrangement at Damascus, Syria to support the 39 military observers of the UNTSO Observer Group in the Golan Heights (UNTSO-OGG) who are assigned under UNDOF's operational responsibility. There was also little collaboration between UNDOF Administration and the UNTSO administrative entity in Damascus and the possibility of synergies and complementarities between them was not realized. Consequently, UNTSO has allocated a total of \$19 million to maintain administrative effort at Damascus and Naqoura for supporting its military observers under UNDOF (\$10.7 million) and under UNIFIL (\$8.3 million). In OIOS' view, the UNDOF and UNIFIL Administrations could support UNTSO's military observers assigned to the missions under a cost-sharing arrangement. This arrangement could result in substantial savings from the current \$19 million allocation. There was no evidence that such an arrangement had been explored despite the recommendation of the Advisory Committee on Administrative and Budgetary Questions in paragraph II.22 of its report A/60/7 that had called for increased collaboration among UNIFIL, UNDOF and UNTSO to optimize the use of support resources.

Recommendations 14 and 15

UNTSO Management should:

(14) Take immediate steps to identify areas of synergy and complementarity in support services between the UNTSO administrative presence at the UNDOF and UNIFIL Administrative locations to support UNTSO military observers operationally attached to these missions; and

(15) To achieve substantial savings in support costs, review the current level of resources allocated to its administrative presence in UNDOF and UNIFIL to determine if these missions could provide those services to UNTSO under a cost-sharing arrangement.

51. *UNTSO Management indicated that recommendations 14 and 15 are under consideration but stated that their implementation is on-going. Regarding recommendation 14, the Mission explained that it is working with DFS and DPKO on this matter, and a working group has been established at Headquarters. With regard to recommendation 15, UNTSO is reviewing the existing level of resources allocated to its administrative presence in UNIFIL and UNDOF to determine if these missions could provide administrative services to UNTSO under a cost-sharing arrangement. The review is being done as part of the assessment by DPKO which, considered the September 2007 Baril evaluation*

report together with the current OIOS audit and the comments of the Advisory Committee on Administrative and Budgetary Questions regarding the integration of support services among UNTSO, UNDOF and UNIFIL.

52. OIOS was provided with information covering respectively UNTSO evaluation: structural/operational recommendation and UNTSO Evaluation Support Integration Guidance. These documents provided evidence of major efforts being undertaken by UNTSO, DFS and DPKO to implement the recommendations. OIOS will close recommendations 14 and 15 in its database upon receipt of a copy of UNTSO's integrated arrangements with UNIFIL and UNDOF concerning support services.

F. Medical Insurance Plan

53. The Medical Insurance Plan (MIP) is a contributory health insurance scheme applicable to locally recruited General Service staff members and National Professional Officers and their eligible family members in field missions. UNTSO informed OIOS that MIP would be discontinued in the course of 2008, and new insurance plan for local staff would be put in place.

54. The UNTSO Personnel Section is responsible for MIP administration, including enrolling subscribers and their eligible family members, screening and processing their claims, as well as keeping appropriate records in accordance with ST/AI/343 governing the MIP. In accordance with Section 3.6 of the Field Finance Procedure Guidelines, the UNTSO Finance Section ensures that limits for reimbursement for particular types of treatment are adhered to.

55. UNTSO had experienced a surge in dental claims in 2003-2004 (an annual average of \$918 per staff) which might partially be attributed to the lack of proper review of medical claims. In 2005 UNTSO had appointed a Medical Officer who introduced MIP claims review procedures before forwarding them to the Finance Section for payment. Since then, due to the additional controls that UNTSO introduced, the volume of dental claims had declined and in 2006-2007 the annual average of MIP claims amounted to \$525 per staff.

56. In general, UNTSO had established adequate procedures for reviewing and processing MIP claims by the Personnel and the Finance Sections. However, the UNTSO Personnel Section did not implement the following procedures as required by ST/AI/343 and DPKO HR Handbook:

- Establishing and regularly updating the list of reasonable and customary charges for medical providers in Gaza and the West Bank, in cooperation with the Medical Unit; and
- Verifying whether dependent children under the age of 25 for whom MIP claims were submitted were not married nor employed full-time.

57. Additionally, the Personnel Section did not establish a minimum limit for MIP claims, as many MIP claims were for small amounts (less than \$50), where,

the processing costs exceeded the claim amount. In OIOS' view, the Personnel Section should consider establishing procedures requiring that claims only be submitted once their total value reaches \$50 to avoid unnecessary workload on the staff of the Personnel and the Finance Sections.

Recommendations 16 to 18

The UNTSO Personnel Section should:

(16) Establish and regularly update the list of reasonable and customary charges under the Medical Insurance Plan for Gaza and the West Bank;

(17) Establish procedures to verify the Medical Insurance Plan claims of dependent children as to marital status and full-time employment; and

(18) Consider establishing procedures requiring that medical insurance claims only be submitted when their aggregate value reaches \$50.

58. *UNTSO Management accepted recommendation 16 stating the Medical Unit and Civilian Personnel Section will establish a database of current reasonable and customary charges under MIP for Gaza and the West Bank. The Mission will seek assistance from UNRWA and other UN agencies to obtain the required information. Based on the information provided, recommendation 16 has been closed.*

59. *UNTSO Management accepted recommendation 17 stating that UNTSO Civilian Personnel Section maintains a database to regularly monitor and verify that MIP dependants are still entitled to submit claims. The Mission will attempt to create an automated system that will automatically flag dependants when there is a change in status. Based on the information provided, recommendation 17 has been closed.*

60. *UNTSO Management accepted recommendation 18 stating it will issue a circular notifying MIP enrolled members that the minimum limit for submitting MIP Claims will be \$50 in order to reduce workload and administrative costs of processing claims. Enrolled members will be advised to consolidate their medical claims and submit them once the aggregated value of their claim exceeds the minimum amount. OIOS will close recommendation 18 upon receipt of a copy of the information circular.*

G. Mandatory training programmes

61. For the biennium 2006-2007 UNTSO estimated its training needs at \$1,191,200. However, training funds allotted to UNTSO for this period totaled \$150,000, and were used to finance 32 training events, including technical training (such as Toyota technical training and CarLog training) and administrative training regarding insurance claims and the Mercury system.

62. Mandatory OHRM training programmes such as supervisory skills and People Management, though planned, were not provided. We were informed that this training was not offered due to the lack of funds. However, it appeared that UNTSO did not propose candidates to OHRM to be included in the centrally organized training schedules.

Recommendation 19

(19) UNTSO management should nominate staff to participate in Office of Human Resources Management mandatory training programmes.

63. *UNTSO Management accepted recommendation 19 stating that it will follow up with DFS to ensure that the OHRM mandatory training programmes are attended by HR staff. OIOS will close recommendation 19 upon receipt of documentation showing the follow up action taken.*

V. ACKNOWLEDGEMENT

64. We wish to express our appreciation to the Management and staff of UNTSO for the assistance and cooperation extended to the auditors during this assignment.

STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
1	UNTSO Management should request the Department of Field Support and the Office of Human Resources Management to establish a Human Resources Action Plan for the Mission to assist in monitoring compliance with the Organization's human resources management principles.	Governance	High	0	Submission to OIOS of documentation showing that Human Resources Action Plan has been rolled out to all field missions	31 July 2008
2	UNTSO Management should issue an information circular describing the roles and responsibilities of executive direction and management and those of all other organizational units defining their reporting lines, oversight and monitoring mechanisms and accountability.	Governance	High	0	Submission to OIOS of a copy of information circular describing the roles and responsibilities of executive direction and management and those of all other organizational units defining their reporting lines, oversight and monitoring mechanisms and accountability	30 September 2008
3	UNTSO Management should ensure that candidates for positions are assessed by a central review body as per the provisions of ST/SGB/2002/6 and in accordance with the delegation of authority from the Office of Human Resources Management.	Compliance	Medium	0	Submission to OIOS of documentation showing that staffing in peacekeeping missions are subject to central review bodies	30 September 2008
4	UNTSO Management should organize the Civilian Personnel Section's responsibilities into functional units with clear reporting lines at each functional level.	Operational	Medium	0	Submission to OIOS of a copy of UNTSO Civilian Personnel Section's revised organization chart	30 September 2008
5	UNTSO Management should limit the assignment of national Personnel Assistants, to the extent possible, in processing recruitment of national staff in order to avoid any appearance of a lack of transparency.	Strategy	High	0	Submission to OIOS of a copy of UNTSO Civilian Personnel Section's revised organization chart	30 September 2008
6	UNTSO Management should follow up with the Department of Field Support to complete the reconciliation of the post database begun in 2006.	Operational	Medium	0	Submission to OIOS of a copy of the post reconciliation document prepared by the Working Committee on the Post Management Review	30 September 2008

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
7	UNTSO Management should use the Integrated Management Information System (IMIS) post numbers to report its staffing situation.	Compliance	Medium	O	Submission to OIOS of documentation showing that UNTSO is using IMIS post numbers in its staff reports	No date
8	UNTSO Management should periodically review vacancies to determine their nature and duration and identify the actual vacancies which require initiation of the staff selection process.	Operational	High	C	Action complete	Implemented
9	UNTSO Management should fill all vacant posts, particularly the vacancies at the chief level in a timely manner in order to enable the Mission to more effectively carry out its activities.	Operational	High	O	Submission to OIOS of the post incumbency report showing that all vacant posts have been filled by 30 September 2008	Implemented
10	UNTSO Management should widely circulate external vacancies in order to elicit an adequate pool of qualified candidates.	Strategy	High	O	Submission to OIOS of a sample of UNTSO posts advertised in both Hebrew and Arabic language local newspapers	Implemented
11	UNTSO Management should coordinate with the Department of Field Support to determine if the Mission needs to adopt the June 2007 Draft Standard Operating Procedures for the selection of field mission staff in order to provide uniform guidance to field missions.	Strategy	High	O	Submission to OIOS of a copy of the approved standard operating procedures for the selection of field staff	30 September 2008
12	UNTSO Management should maintain recruitment and promotion case files with complete records so that a proper audit trail of recruitment decisions is available.	Operational	Medium	O	Submission to OIOS of a copy of the new filing system approved for the recruitment and promotion cases	30 November 2008
13	UNTSO Management should ensure that the provisions of ST/AI/2002/3 and the DPKO HR Handbook on Performance appraisal system are adhered to in respect to the timely completion e-PAS.	Compliance	Medium	C	Action completed	30 September 2008
14	UNTSO Management should take immediate steps to identify areas of synergy and complementarity in support services between the UNTSO	Strategy	High	O	Submission to OIOS of a copy of UNTSO's integrated arrangements with UNIFIL and UNDOF for support services	On-going

Recom. no.	Recommendation	Risk category	Risk rating	C/O ¹	Actions needed to close recommendation	Implementation date ²
15	administrative presence at the UNDOF and UNIFIL Administrative locations to support UNTSO military observers operationally attached to these missions. To achieve substantial savings in support costs, UNTSO Management should review the current level of resources allocated to its administrative presence in UNDOF and UNIFIL to determine if these missions could provide those services to UNTSO under a cost-sharing arrangement.	Strategy	High	O	Submission to OIOS of a copy of UNTSO's integrated arrangements with UNIFIL and UNDOF for support services	On-going
16	The UNTSO Personnel Section should establish and regularly update the list of reasonable and customary charges under the Medical Insurance Plan for Gaza and the West Bank.	Operational	High	C	Action complete	31 October 2008
17	The UNTSO Personnel Section should establish procedures to verify the Medical Insurance Plan claims of dependent children as to marital status and full-time employment.	Operational	High	C	Action complete	31 August 2008
18	The UNTSO Personnel Section should consider establishing procedures requiring that medical insurance claims only be submitted when their aggregate value reaches \$50.	Operational	Medium	O	Submission to OIOS of a copy of the information circular notifying MIP enrolled members that the minimum limit for submitting MIP Claims will be \$50 in order to reduce workload and administrative costs of processing claims.	31 August 2008
19	UNTSO Management should nominate staff to participate in Office of Human Resources Management mandatory training programmes.	Operational	Medium	O	Submission to OIOS of documentation showing the follow up action with FPD/DFS to ensure that the OHRM mandatory training programmes are attended by HR staff	31 August 2008

¹ C = closed, O = open

² Date provided by UNTSO in response to recommendations