



INTERNAL AUDIT DIVISION

AUDIT REPORT

Recruitment activities undertaken by UNODC/UNOV for several Vienna-based United Nations agencies

The system of staff recruitment for UNODC/UNOV and its client agencies contributed to timely recruitment, but efforts are needed to improve gender balance and geographical representation, and to update the delegation of authority for human resources management

12 February 2010
Assignment No. AE2009/365/01

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: Mr. Antonio Maria Costa, Under Secretary-General
A: Director General, United Nations Office at Vienna and
Executive Director, United Nations Office for Drug and
Crime

DATE: 12 February 2010

REFERENCE: IAD: 10-

FROM: Fatoumata Ndiaye, Director
DE: Internal Audit Division, OIOS

SUBJECT: **Assignment No. AE2009/365/01 - Audit of recruitment activities undertaken by
UNODC/UNOV for several Vienna-based United Nations agencies**

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we will not close any recommendations in the OIOS recommendations database as indicated in Annex 1. In order for us to close the 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. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as high risk (i.e., recommendation 8), in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Francis Maertens, Deputy Director-General, UNODC
Ms. Linda Starodub, Chief, Division of Management, UNODC
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit
Mr. Moses Bamuwanye, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Special Assistant to the USG, OIOS
Mr. Christopher Bagot, Chief, Geneva Audit Service, OIOS

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).

CONTACT INFORMATION

DIRECTOR:

Fatoumata Ndiaye: Tel: +1.212.963.5648, Fax: +1.212.963.3388,
e-mail: ndiaye@un.org

ACTING DEPUTY DIRECTOR:

Gurpur Kumar: Tel: +1.212.963.5920, Fax: +1.212.963.3388,
e-mail: kumarg@un.org

CHIEF, GENEVA AUDIT SERVICE:

Christopher Bagot: Tel: +41.22.917.2731, Fax: +41.22.917.0011,
e-mail: cbagot.unog.ch

EXECUTIVE SUMMARY

Audit of recruitment activities undertaken by
UNODC/UNOV for several Vienna-based United Nations
agencies

OIOS conducted an audit of recruitment activities undertaken by the United Nations Office for Drug and Crime/United Nations Office at Vienna (UNODC/UNOV) for several Vienna-based United Nations agencies. The overall objective of the audit was to assess the adequacy and effectiveness of arrangements at UNODC/UNOV for handling the recruitment of staff and consultants of several Vienna-based United Nations agencies in accordance with the UN rules and regulations and best practices. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

Overall, UNODC/UNOV had adequate arrangements in place for managing vacancies, which contributed to its ability to fill posts close to the target of 120 days; it took an average of 125 days in 2008 for the selection for all posts in Galaxy. Nonetheless, UNDOC/UNOV needs to strengthen its monitoring of recruitment activities in order to further enhance performance in staff gender balance, geographical representation, the recruitment of staff and consultants, and compliance with UN rules and regulations and best practices. OIOS recommended that UNODC and UNOV:

- Establish a mechanism to periodically review and monitor changes to the delegation of authority on human resources to ensure that they are complied with and that they are reflected or updated in the relevant administrative instructions.
- Introduce measures to achieve the performance target of increasing gender balance and geographical representation, especially for professional posts and higher. An outreach programme targeting women's groups could help identify willing and qualified women, and encourage them to apply for the advertised posts.
- Discuss and agree with DESA the portion of the 14 per cent overhead charges that should go to UNODC/UNOV for services it provides to Associate Experts hired by DESA. This should include a portion of the \$700,000 overhead costs earned for the period October 2006 to October 2009.

UNODC/UNOV management accepted all the recommendations and has started to implement several of them.

TABLE OF CONTENTS

| Chapter | Paragraphs |
|---|------------|
| I. INTRODUCTION | 1 - 6 |
| II. AUDIT OBJECTIVES | 7 |
| III. AUDIT SCOPE AND METHODOLOGY | 8 - 9 |
| IV. AUDIT FINDINGS AND RECOMMENDATIONS | |
| A. Vacancy management | 10 - 14 |
| B. Recruitment process | 15 - 28 |
| C. Policy guidance and procedures | 29 - 35 |
| D. Consultants and individual contractors | 36 - 42 |
| V. ACKNOWLEDGEMENT | 43 |
| ANNEX 1 – Status of Audit Recommendations | |

I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of recruitment activities undertaken by the United Nations Office for Drug and Crime and United Nations Office at Vienna (UNODC/UNOV) for several Vienna-based United Nations agencies. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

2. The Director of the Division for Management is responsible for processing recruitment activities in accordance with United Nations Regulations and Rules. As set forth in ST/SGB/2004/6, which governs the organization of UNODC, the Division for Management is headed by a Director, who also serves as the Director of the Division for Management, UNOV. The Director of the Division for Management, UNODC, reports to the Executive Director and is responsible to the Under-Secretary-General for Management for: (a) ensuring that all regulations, rules and instructions of the Organization are followed; (b) developing and overseeing the implementation of human resources policies; and (c) managing the human resources of the United Nations Secretariat entities in Vienna, including policy direction, guidance, supervision and implementation of personnel policies. The Division for Management of UNODC provides human resources services for all United Nations Secretariat entities in Vienna.

3. UNODC/UNOV have the following structures in place for handling the recruitment of staff through the Galaxy system:

- Pursuant to ST/AI/2006/3 (15 November 2006) on Staff Selection System, a central review body reviews the proposals made by a department (such as UNOV) for filling a vacancy to ensure that candidates were evaluated on the basis of pre-approved criteria and applicable procedures. Currently, UNODC and UNOV have three central review bodies performing these review functions.

- The Central Review Board (CRB), whose composition, functions and procedures are generally comparable to the Headquarters' CRB, advises the Executive Director with respect to UNOV staff and staff paid from the United Nations International Drug Control Programme (UNDCP) Fund at the P-5 and D-1 levels. The Chief of the Human Resources Management Service (HRMS), UNODC is an *ex-officio* member of the Board.

- The UNOV Central Review Committee (CRC) advises the Executive Director regarding appointments and promotions to Professional (P) posts financed by UNOV and the UNDCP Fund at levels P-4 and below.

- Finally, the UNOV Central Review Panel (CRP) provides recommendations to the Executive Director on the appointment of staff in the General Service (GS) and related categories to posts in UNOV and those financed from the UNDCP Fund.

- The Executive Director appoints, extends and reclassifies posts, including those for technical cooperation project personnel up to and including the D-1/L-6 level. For D-2/L-7 level personnel, prior approval by the Secretary-General is required.

- The UNOV/UNODC HRMS provides staffing, staff administration and staff development services to the respective entities, and processes requests for the employment of consultants and individual contractors for UNOV/UNODC and other UN secretariat entities in Vienna as delegated by section 9 of ST/AI/1999/7.

4. The Recruitment and Placement Unit (RPU) is part of the HRMS of the UNODC Division for Management. The unit is headed by a P-5 who reports to the Chief of HRMS at the D-1 level. The P-5 is supported by six GS staff. The UNODC human resources management budget for the biennium 2008-2009 was approximately \$5.9 million from the regular budget and \$1.8 million from extra budgetary funds. RPU was comprised of 19 authorized regular posts, including 5 Professional and 14 General Service level posts, while an additional 10 posts were paid out of the extra budgetary funds.

5. During the period 1 January 2008 to 30 June 2009, UNODC/UNOV recruited 142 Professional and project staff and 124 General Service staff. It also issued 318 contracts for consultants and individual contractors from 1 January 2008 to 30 September 2009.

6. Comments made by UNODC/UNOV are shown in *italics*.

II. AUDIT OBJECTIVES

7. The main objectives of the audit were to:

(a) Assess the adequacy and effectiveness of internal controls in UNODC/UNOV for handling the recruitment of staff and consultants; and

(b) Review compliance with UN regulations, rules and best practices.

III. AUDIT SCOPE AND METHODOLOGY

8. The audit, which was carried out between September and October 2009, focused on the recruitment of staff for the period January 2008 to June 2009 and consultants and individual contractors from 1 January 2008 to 30 September 2009. The audit focused on recruitment services provided by UNOV and UNODC to the Office for Outer Space Affairs (OOSA), the United Nations Information Service (UNIS) and five other UN entities based in Vienna.

9. The audit included an assessment of risks and internal control systems, interviews with staff and management, analysis of applicable data and a review of available documents and other relevant records and reports.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Vacancy management

10. Overall, UNODC and UNOV had adequate arrangements in place for managing vacancies, which allowed them to timely address issues that could impede the achievement of performance targets for recruitment. In 2008, UNOV posted a 0.8 per cent vacancy rate for all posts, and as of 30 June 2009, there were no recorded vacancies. For UNODC, the vacancy rates were six per cent for 2008 and five per cent for June 2009. The target for both organizations for both years was five per cent. Other performance measures such as number of days to fill posts, geographical distribution and gender balance are discussed in the respective sections of this report.

UNODC/UNOV achieved targets for number of days taken to recruit

11. UNODC/UNOV recruited 270 staff in 2008-2009 on a timely basis. On average, it took UNODC/UNOV 125 days in 2008 to fill a post and 127 days in 2009, compared to a target of 120 days for the selection for all posts in Galaxy as indicated in the IMIS Human Resources Action Planning (HRAP) progress report issued by the Office of Human Resources Management (OHRM) for 2008.

Tool to monitor workload statistics needs to be strengthened

12. OIOS was pleased to note that RPU had established a Vacancy Management Report (VMR) system as an additional tool to help monitor its performance by gathering and reporting on its workload statistics. While this is a valuable tool to have, its usefulness depends on the accuracy and completeness of data. OIOS found that data on gender was missing in 11 records; 63 records did not contain nationality data; and 53 records did not have data on the number of days taken from the date the vacancy was posted to the date of entry. Despite the use of the VMR system, RPU continued to compile recruitment data manually.

13. RPU acknowledged that some gaps existed, but believed that information produced did not hamper decision making. The VMR system was not linked with the Integrated Management Information System (IMIS). While data from the VMR system was auxiliary, data from IMIS was the primary monitoring tool for performance measurement.

Recommendation 1

(1) The UNODC/UNOV Administration should strengthen procedures to ensure that the statistical information produced in the Vacancy Management Report

system is accurate, complete and reliable, and matches records in the Integrated Management Information System.

14. *The UNODC/UNOV Administration accepted recommendation 1 and stated that data clean-up is underway and it is taking measures to further improve data gathering and statistical reporting.* Recommendation 1 remains open pending confirmation by UNODC/UNOV that measures have been put in place to improve data accuracy and reliability.

B. Recruitment process

Lower representation of women in staff selected for UNODC/UNOV

15. In line with the target to achieve or maintain at least 50 per cent female representation set out in the HRAP signed by the Director General of UNOV and the Executive Director of UNODC and the ASG for Human Resources Management, there was a 50 percent representation of women in the Director category in 2008 in UNOV. However, women represented only 42 per cent of staff in all other categories. At UNODC that same year, women only comprised 25 per cent of the Directors and 41 per cent of all other categories. Looking at the combined ratios (see Table 1) for UNODC and UNOV for the years 2008 and 2009 (up to 30 June 2009 only), women only made up 39 per cent of the staff, indicating a need to closely monitor the trend.

Table 1: Gender balance: UNODC/UNOV staff

| | 2009 (up to June) | 2008 | Total | % |
|--------|------------------------------|-------------|--------------|----------|
| Female | 10 | 60 | 70 | 39% |
| Male | 17 | 91 | 108 | 61% |
| Totals | 27 | 151 | 178 | 100% |

16. RPU attributed the low ratios to fewer women applicants than men. According to the Chief of RPU, one possibility to finding willing and qualified women when vacancies are advertised is to dedicate resources to implement an outreach programme to target women's professional groups, organizations and societies.

Recommendation 2

(2) The UNODC/UNOV Administration should introduce measures to improve gender balance especially in the Professional and above category, including an outreach programme, which would target women's groups so as to identify willing and qualified women, and encourage them to apply for the advertised posts.

17. *The UNODC/UNOV Administration accepted recommendation 2 and stated that HRMS will work with UNODC and UNOV senior managers and with OHRM to enhance its outreach efforts.* Recommendation 2 remains open pending

receipt of documentation showing the action plan with UNODC and UNOV senior managers and with OHRM on ways to enhance outreach efforts.

Percentage of recruitment of UNODC/UNOV staff subject to geographical representation was within acceptable range

18. Under the HRAP, UNODC/UNOV sought to recruit at least 20 per cent of its candidates from unrepresented or under-represented Member States in 2008. The UNOV and UNODC HRAP progress report showed that they achieved this, with 25 per cent of the staff recruited from unrepresented or under-represented Member States and therefore an acceptable average percentage of geographical recruitment.

19. Nevertheless, there was an imbalance in the recruitment of some nationalities. For instance (as shown in Table 2), between January 2008 and June 2009, there was a higher ratio of project personnel and staff in Professional and above categories recruited from Italy (17), France (13), USA and Spain (12 each), United Kingdom (9), and Germany and Austria (8 each). Many reasons could explain this disparity, such as a lack of applicants or qualified applicants from some countries. There also may be systemic deficiencies. For example, the UN does not target specific countries in its recruitment (except for the National Competitive Examinations), but generally just posts the vacancy announcements on its website for all interested candidates. Moreover, there is a very limited, even rudimentary capacity for outreach/targeted recruitment, and some posts contain highly specialized professional requirements. Although the senior Executive Committee of UNOV/UNODC reviews and monitors progress in this area, the situation depicted in the table suggests it needs to monitor geographical representation in the recruitment of staff in order to prevent imbalance of recruitment from some countries.

Table 2: Geographical distribution of recruited staff

| Nationality | 2008 | 2009 (up to June) | Total | % |
|--------------------|-------------|------------------------------|--------------|----------|
| Italy | 16 | 1 | 17 | 10.0 |
| France | 9 | 4 | 13 | 7.3 |
| USA | 12 | - | 12 | 6.7 |
| Spain | 11 | 1 | 12 | 6.7 |
| United Kingdom | 7 | 2 | 9 | 5.1 |
| Germany | 6 | 2 | 8 | 4.5 |
| Austria | 5 | 3 | 8 | 4.5 |
| All others | 85 | 14 | 99 | 55.6 |
| Totals | 151 | 27 | 178 | 100.0 |

Recommendation 3

(3) The UNODC/UNOV Administration should strengthen its recruitment strategy and practices to attain a reasonable geographical representation of staff at all levels,

especially for project personnel and staff in the Professional and above category.

20. *The UNODC/UNOV Administration accepted recommendation 3 and stated that appropriate plan of action is being developed.* Recommendation 3 remains open pending receipt of the plan of action to achieve geographical balance in the recruitment of staff.

Need to recover overhead charges for non-reimbursable loans of personnel services from sources external to the UN common system (Associate Experts) in UNODC/UNOV

21. UNODC and UNOV recruited 32 Associate Experts (L-1 and L-2) between October 2006 and September 2009, 18 of which were recruited between January 2008 and June 2009. UNODC used 27 of the 32 experts, while UNOV used the other five.

22. No supporting documentation or agreement were provided for audit review. However, the Chief of RPU informed OIOS that the official document designating the Department of Economic and Social Affairs (DESA) as the administering authority for the Associate Experts programme worldwide is a memorandum from the then-Acting Director of the Recruitment and Placement Division, OHRM. The memorandum, dated 22 September 1992, governs the Appointment of Junior Professional Officers and Associate Experts and was addressed to all Chiefs of Administration and Personnel at Offices Away from Headquarters.

23. Under this long standing arrangement, DESA engages and administers the Associate Experts on behalf of UNODC and UNOV. The donor governments fund their salaries and related benefits, including paying 14 per cent for overhead costs in accordance with ST/AI/231/Rev.1 on non-reimbursable loans of personnel services from sources external to the United Nations common system. However, OIOS noted that DESA retains the entire 14 per cent charged for overheads, funds which are meant to cover servicing and administrative costs, even though UNODC and UNOV continue to service and provide administrative services to these experts, such as providing them with office space, computers, telephones, etc.. Hence, it was unclear why UNODC and UNOV did not receive a percentage of the overhead costs for the services they provide to these experts. These overhead costs totaled approximately \$700,000 for the period October 2006 to October 2009.

Recommendation 4

(4) The UNODC/UNOV Administration should discuss and agree with DESA the portion of the 14 per cent overhead charges that should go to UNODC/UNOV for services provided to Associate Experts hired by DESA.

24. *The UNODC/UNOV Administration accepted recommendation 4 and stated that UNOV/UNODC will raise this issue with DESA.* Recommendation 4

remains open pending receipt of documentation showing that the matter has been raised with DESA.

Need to strengthen performance monitoring of the United Nations Development Programme's recruitment services provided to UNODC field offices

25. The United Nations Development Programme (UNDP) administered 1,130 UNODC field office local staff members with service contracts, short-term contracts and appointments of limited duration as of September 2009 on behalf of UNODC. Under a Memorandum of Understanding (MOU) between UNODC and UNDP, which took effect January 2004, UNDP provides services for the recruitment and administration of locally recruited UNODC personnel.

26. UNODC did not insert any performance indicators into the MOU to help gauge performance. However, the MOU does state that the quality of services and the efficiency of the UNODC Country Office shall be discussed between the UNODC Resident Representatives who will deal with the matter at the local level. Any problem arising in connection with the quality and provision of services shall, if possible, be dealt with at the local level. Should no solution be found, a joint report expressing the views of both offices shall be submitted to the respective Headquarters for further discussion and resolution. However, there is no explicit guidance to monitor how well UNDP provided these services. As to UNDP's processing of recruitment cases, the UNODC Resident Representative had mixed observations and believed it could be faster and more responsive to their field office needs. For example, two field offices stated that UNDP did not update them on the status of recruitment cases and communication was often poor. UNODC should therefore raise with UNDP the need for performance indicators to objectively gauge and systematically monitor performance.

27. The MOU is silent on the role of RPU, the unit responsible for addressing the UNODC field office concerns about UNDP's recruitment services. The MOU requires that officials from UNDP and UNODC at Headquarters hold an annual meeting to ensure the smooth implementation of this working arrangement, including financial arrangements for cost recovery at the field level. The MOU further dictates that all disputes or differences will be resolved amicably through negotiations. Ones which are not resolved are referred to the UNDP Administrator and the UNODC Executive Director for final resolution. RPU stated that all problems brought to its attention were resolved, but there was no mechanism in place for regular feedback to determine whether UNDP or other service provider's performance improved in the management of recruitment cases. RPU did not undertake periodic client surveys to assess its clients' perception of the quality of the service it provided nor did it obtain their comments and suggestions.

Recommendations 5 and 6

The UNODC Administration, with the assistance of the Recruitment and Placement Unit, should:

(5) Agree on the respective roles and responsibilities for performance monitoring of the United Nations Development Programme services provided to UNODC field offices; and

(6) Agree with the United Nations Development Programme on the performance monitoring mechanisms that will be used to measure performance and ensure that these are included in future agreements.

28. *The UNODC Administration accepted recommendations 5 and 6, stating that HRMS will work with UNDP on a system of performance monitoring. Recommendations 5 and 6 remain open pending receipt of a plan of action on the system of performance monitoring agreed with UNDP.*

C. Policy guidance and procedures

Need for UNDOC/UNOV to train staff and update the Staff Selection Manual to incorporate changes for when the INSPIRA system becomes effective

29. UNODC and UNOV developed policies and procedures for staff recruitment and placement, including the 2007 Staff Selection Manual. The Manual assists managers in assessing, recommending and selecting candidates for vacant positions. It provides practical tips and examples of actions related to the selection process and thus serves as a valuable reference tool for staff and managers. The Manual includes selection procedures under the Galaxy system. However, a new talent management system, “INSPIRA” is coming into effect in January 2010. Consequently, UNDOC/UNOV should put mechanisms in place to address the transitional gaps when INSPIRA replaces Galaxy in 2010.

30. OIOS is concerned that RPU is faced with the risk of being unable to make full use of the new system to support efficient programme delivery if adequate arrangements are not put in place with regard to training staff and revising the Staff Selection Manual to reflect changes brought about by the use of the new INSPIRA system. UNODC and UNOV need to be vigilant and work with OHRM to ensure OHRM takes into consideration their user needs during this period.

31. *The UNODC/UNOV Administration explained that HRMS actively participates in the regular updates by OHRM on the status of the development and implementation planning for the new staff selection system and the new talent management tool INSPIRA. HRMS will revise and update the Staff Selection Manual as appropriate once the new staff selection system is implemented. HRMS will also plan and organize training of various UNODC/UNOV users on the new system and tool, once they are implemented.*

Inadequate training of members of the three central review bodies

32. Several members of the central review bodies have not been trained regularly, though upon request, HRMS provides guidance to the members.

Nonetheless, there remains a risk that central review bodies may not be fulfilling their duties in full compliance with their mandate, i.e., ST/SGB/2002/6.

Recommendation 7

(7) The UNODC/UNOV Administration should ensure that members of central review bodies are adequately trained and given enough guidance to enable them to carry out effectively their functions of properly scrutinizing candidates for recruitment.

33. *The UNODC/UNOV Administration accepted recommendation 7 and stated that HRMS will institute a programme of training and refreshing the knowledge of central review body members in conjunction with the implementation of the new staff selection system.* Recommendation 7 remains open pending receipt of documentation showing that members of central review bodies have been trained on their duties.

Need for clarity on the delegation of authority given to UNODC/UNOV for the recruitment of staff for UNODC/UNOV and other UN entities serviced by UNODC/UNOV

34. In 1993, OHRM at UN Headquarters issued the delegation of authority on personnel arrangements to UNODC through ST/AI/388. In 1999, it issued a further delegation of authority to heads of departments in the administration of Staff Rules through ST/AI/1999/1. In 2002, changes were made to the delegation, affecting the structures and functions of central review bodies through the issuance of ST/SGB/2002/6. These changes have not been incorporated into UNDOC/UNOV's initial delegation of authority for personnel arrangements for UNDCP (granted in ST/AI/388) which related to the appointments and promotion bodies. OHRM did not periodically review and monitor the implementation of the delegated authority and the related changes. UNODC complied with the changes as reflected in internal circulars that were issued to staff at UNODC and UNOV subsequent to the issuance of the latest ST/AI. However, in light of the changes that will take effect when the new INSPIRA staff recruitment and selection system comes into effect in January 2010, there is a need to review this arrangement and to clarify the roles of UNODC and UNOV.

Recommendation 8

(8) The UNODC/UNOV Administration, in conjunction with the Office of Human Resources Management, should establish a mechanism to periodically review and monitor changes to the delegation of authority on human resources to ensure that they are complied with and that they are reflected or updated in the relevant administrative instructions.

35. *The UNODC/UNOV Administration accepted recommendation 8 and stated that HRMS will liaise with OHRM on the implementation of this recommendation in line with the general policies in the Secretariat.* Recommendation 8 remains open pending receipt of documentation showing that HRMS has liaised with OHRM to establish a mechanism to periodically review and monitor changes to the delegation of authority on human resources issues in line with the general policies in the Secretariat.

D. Consultants and individual contractors

UNDOC/UNOV needs to improve its management of rostered consultants and individual contractors for the UN entities they service

36. UNODC and UNOV created an on-line workflow roster in 2000 which to date contained 2,288 candidates (comprising 148 GS, 109 consultants and 2,031 in other categories). The roster complies with the spirit of section 4.1 of ST/AI/1999/7 requiring departments and offices to use the central roster of candidates being developed by OHRM as soon as it is operational. Nonetheless, UNDOC/UNOV could still improve its management of the roster as follows:

- Out of a population of 2,288 candidates, data had not been updated in approximately 680 cases for more than five years, suggesting that reviews and updates should be carried out;
- The field of expertise had not been properly determined to correspond with the curriculum vitae or personnel history form (PHP) in 1,948 of the 2,288 candidates;
- For the 109 consultants listed on the roster, data for references was missing in 48 cases and the corresponding PHP in the electronic files was missing for 17 cases;
- OIOS could not verify recruitment history of one consultant because the electronic file/data did not contain a consultant engagement and payment request portal;
- There was no indication that UNDOC/UNOV performed an initial assessment of credentials and reference/background checks because they did not properly nominate focal points for the encoding of data into the system as envisaged in establishing the electronic work flow processes of the roster; and
- There were no procedures to remove names from the roster due to the weaknesses mentioned above.

37. As a result, there was a risk that the roster might not be reliable and therefore UNOV and UNODC might not be properly selecting qualified consultants or individual contractors.

Recommendations 9 and 10

The UNODC Recruitment and Placement Unit should:

(9) Strengthen controls to ensure the validity and authenticity of the information entered into the human resources files for the rostered consultants, including coordinating with various other divisions/units at UNODC/UNOV to properly select focal points based on their competency and line of expertise; and

(10) Establish a proper accountability framework for the management of the consultants' roster, which should define roles and responsibilities, establish mechanisms to document verification of background checks, and adopt procedures to remove names from the roster.

38. *The Recruitment and Placement Unit accepted recommendation 9 and stated that it should be noted that the roster is just a repository of information about the rostered candidates for consultancies and other temporary assignments. Actual selection of a consultant requires an assessment of suitability of at least three candidates from the roster. Therefore, a lack of data in the records of a particular rostered candidate does not jeopardize the quality of hires since the substantive assessment cannot be undertaken without first obtaining missing information and detailed evaluation at the time of engagement. Focal points will be instituted. Recommendation 9 remains open pending receipt of documentation showing that focal points have been instituted.*

39. *The Recruitment and Placement Unit accepted recommendation 10 and stated that they have been informed that one of the modules of INSPIRA foresees the administration of a consultants' roster. HRMS will work with OHRM to make this an effective tool. As for the current system, background checks remain an informal process between substantive offices and their counterparts. However, the roster reflects the performance evaluation reports of consultants previously hired by UNOV and UNODC for easy reference of substantive offices in considering candidates. Names of candidates who are no longer available or whose performance was not adequate have been marked as "inactive" and cannot be retrieved into a new engagement request. The online Consultant Engagement and Payment Request application provides detailed processing guidelines which specify that HRMS requires at least ten working days to process new requests. Recommendation 10 remains open pending confirmation by UNODC of the establishment of an accountability framework for the management of the consultants' roster.*

Adequate arrangements for processing consultants and individual contractors in compliance with ST/AI/1999/7

40. OIOS reviewed 318 cases in which UNDOC/UNOV recruited consultants and individual contracts between January 2008 and June 2009. In 18 per cent or 70 of the cases, the candidates were processed in 11 to 47 days from

the Director's request to HRMS' approval of contracts. In addition, in 57 per cent or 221 cases, it took between 11 and 199 days to process contracts from programme managers to the Directors' for approval.

Inadequate geographical balance

41. OIOS noted that the ratio of 50/50 was achieved on gender balance, but geographical balance was not. Out of the 318 contracts issued, the ratio representing continents was as follows: Europe, 65 per cent; North America, 16 per cent; Africa, 6 per cent; Australia, 5 per cent; Asia, 4 per cent; South America, 4 per cent. The data suggests an imbalance in favour of European nationals, which contradicts ST/AI/1999/7 section 4.3 requiring offices to have the widest geographical base possible. UNODC/UNOV stated that consultants are engaged on a competitive basis resulting from an assessment of available candidates

Recommendation 11

(11) The UNODC/UNOV Administration should strengthen controls to provide opportunities for as many nationalities as possible to be put on the roster to ensure compliance with requirements of the administrative instruction ST/AI/1999/7.

42. *The UNODC/UNOV Administration accepted recommendation 11 and stated that HRMS regularly reviews the geographical distribution of consultants hired, also in the context of the HRAP review. Substantive offices and their Directors have been repeatedly encouraged to advertise consultancy assignments to assist them in achieving a better balance of nationalities among consultants. During 2009, 10 vacancy announcements for contractual assignments were advertised on UNODC's website. HRMS intends to employ further outreach efforts to enhance the geographical representation of rostered candidates. Recommendation 11 remains open pending receipt of documentation showing the controls HRMS has put in place to enhance the geographical representation of rostered consultants.*

V. ACKNOWLEDGEMENT

43. We wish to express our appreciation to the Management and staff of UNODC and UNOV 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 | The UNODC/UNOV Administration should strengthen procedures to ensure that the statistical information produced in the Vacancy Management Report system is accurate, complete and reliable, and matches records in the Integrated Management Information System. | Information Resources | Medium | O | Confirmation by UNODC/UNOV that measures have been put in place to improve data accuracy and reliability | 2010-2011 biennium |
| 2 | The UNODC/UNOV Administration should introduce measures to achieve the performance measurement target goal of increasing female selection representation especially for professional posts and higher, including an outreach programme, which would target women's groups so as to identify willing and qualified women, and encourage them to apply for the advertised posts. | Operational | Medium | O | Submission to OIOS of the action plan with UNODC and UNOV senior managers and with OHRM on ways to enhance outreach efforts | 2010-2011 biennium |
| 3 | The UNODC/UNOV Administration should strengthen its recruitment strategy and practices to attain a reasonable geographical representation of staff at all levels, especially for project personnel and staff in the Professional and above category. | Operational | Medium | O | Submission to OIOS of the plan of action being developed to attain a reasonable geographical representation of staff at all levels | 2010-2011 biennium |
| 4 | The UNODC/UNOV Administration should discuss and agree with DESA a portion of the 14 per cent overhead charges that should go to UNODC/UNOV for services they provide for Associate Experts hired by DESA. This should include a portion of the \$700,000 overhead costs earned for the period October 2006 to October 2009. | Governance | Medium | O | Submission to OIOS of documentation showing that the issue regarding the sharing of 14 per cent overhead costs has been raised with DESA | 2010-2011 biennium |

| Recom. no. | Recommendation | Risk category | Risk rating | C/O ¹ | Actions needed to close recommendation | Implementation date ² |
|------------|--|-----------------------|-------------|------------------|---|----------------------------------|
| 5 | The UNODC Administration, with the assistance of the Recruitment and Placement Unit, should agree on the respective roles and responsibilities for performance monitoring of UNDP services provided to UNODC field offices. | Operational | Medium | O | Submission to OIOS of a plan of action on the system of performance monitoring agreed with UNDP, which includes the respective roles and responsibilities | 2010-2011 biennium |
| 6 | The UNODC Administration, with the assistance of the Recruitment and Placement Unit, should agree with UNDP on the performance monitoring mechanisms that will be used to measure performance and ensure that these are included in future agreements. | Governance | Medium | O | Submission to OIOS of a plan of action on the mechanisms for performance monitoring agreed with UNDP | 2010-2011 biennium |
| 7 | The UNODC/UNOV Administration should ensure that members of central review bodies are adequately trained and given enough guidance to enable them to carry out effectively their functions of properly scrutinizing candidates for recruitment. | Human resources | Medium | O | Submission to OIOS of documentation showing that members of central review bodies have been trained on their duties | 2010-2011 biennium |
| 8 | The UNODC/UNOV Administration, in conjunction with the Office of Human Resources Management, should establish a mechanism to periodically review and monitor and changes to the delegation of authority on human resources to ensure that they are complied with and that they are reflected or updated in the relevant administrative instructions. | Governance | High | O | Submission to OIOS of documentation showing that HRMS has liaised with OHRM to establish a mechanism to periodically review and monitor changes to the delegation of authority on human resources issues in line with the general policies in the Secretariat | 2010-2011 biennium |
| 9 | The UNODC Recruitment and Placement Unit should strengthen controls to ensure the validity and authenticity of the information entered into the human resources files for the rostered consultants, including coordinating with various other divisions/units at UNODC/UNOV to properly select focal points based on their | Information resources | Medium | O | Submission to OIOS of documentation showing that focal points have been instituted | 2010-2011 biennium |

| Recom. no. | Recommendation | Risk category | Risk rating | C/O¹ | Actions needed to close recommendation | Implementation date² |
|-------------------|---|----------------------|--------------------|------------------------|---|--|
| | competency and line of expertise. | | | | | |
| 10 | The UNODC Recruitment and Placement Unit should establish a proper accountability framework for the management of the consultants' roster, which should define roles and responsibilities, establish mechanisms to document verification of background checks and adopt procedures to remove names from the roster. | Governance | Medium | O | Confirmation by UNODC of the establishment of an accountability framework for the management of the consultants' roster | 2010-2011 biennium |
| 11 | The UNODC/UNOV Administration should strengthen controls to provide opportunities for as many nationalities as possible to be put on the roster to ensure compliance with requirements of the administrative instruction ST/AI/1999/7 and General Assembly resolution A/53/385 with respect to geographical representation. | Operational | Medium | O | Submission to OIOS of documentation showing controls HRMS has put in place to enhance the geographical representation of rostered consultants | 2010-2011 biennium |

¹ C = closed, O = open

² Date provided by UNODC and UNOV in response to recommendations