



INTERNAL AUDIT DIVISION

AUDIT REPORT 2013/029

Audit of education grant disbursement in the Secretariat

Overall results relating to governance, risk management and control processes for education grant disbursement in the Secretariat were initially assessed as partially satisfactory. Implementation of six important recommendations remains in progress

**FINAL OVERALL RATING: PARTIALLY
SATISFACTORY**

25 March 2013

Assignment No. AG2012/511/01

CONTENTS

	<i>Page</i>
I. BACKGROUND	1
II. OBJECTIVE AND SCOPE	1-2
III. AUDIT RESULTS	2
A. Delegation of authority system	3-4
B. Regulatory framework	4-9
IV. ACKNOWLEDGEMENT	9
ANNEX I Status of audit recommendations	
APPENDIX 1 Management response	

AUDIT REPORT

Audit of education grant disbursement in the Secretariat

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of education grant disbursement in the Secretariat.
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. Education grant is an expatriate benefit which is payable to staff members in respect of each dependant child's educational expenses. It is provided to staff members who reside and serve at a duty station outside his or her home country with an appointment of a minimum period of six months. Eligibility criteria and administrative procedures for education grant are promulgated in Staff Regulation 3.2, Staff Rule 3.9, ST/AI/2011/4 and ST/IC/2005/25. Staff members are required to submit form P.41 certified by the school for attendance of the child and payments made to the school as well as form P.45 requesting reimbursement by the United Nations.
4. Several offices of the Secretariat are responsible for processing education grant claims under the delegation of authority and policy guidance provided by the Office of Human Resources Management (OHRM) of the Department of Management (DM), as shown in Table 2 below. The amount of the grant is 75 per cent of the admissible educational expenses up to the maximum per year, which was \$32,255 for the 2011 school year. The maximum amount of the special education grant for disabled children was \$43,006 for the 2011 school year. In 2011, 13,548 education grant claims in the total amount of \$106 million were processed. The average amount per claim was \$7,841.
5. Comments provided by OHRM and the Department of Field Support (DFS) are incorporated in *italics*.

II. OBJECTIVE AND SCOPE

6. The audit was conducted to assess the adequacy and effectiveness of the Secretariat governance, risk management and control processes in providing reasonable assurance regarding **compliance with established rules and procedures for education grant disbursement**.
7. The key controls tested for the audit were: (a) delegation of authority system; and (b) regulatory framework. For the purpose of this audit, OIOS defined these key controls as follows:
 - (a) **Delegation of authority system** – controls that provide reasonable assurance that authority has been delegated formally and in accordance with relevant regulations and rules. This control includes periodic reporting and monitoring of the delegated authority.
 - (b) **Regulatory framework** – controls that provide reasonable assurance that policies and procedures exist to guide the administration of the education grant, and are followed consistently.

8. The key controls were assessed for the control objectives shown in Table 1. Certain control objectives (shown in Table 1 as “Not assessed”) were not relevant to the scope defined for this audit.

9. OIOS conducted this audit from 1 June to 30 November 2012. The audit covered the period from January 2010 to November 2012.

10. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to determine their effectiveness. OIOS tested a sample of 653 claims or 4.8% of the population, which is considered to be a statistically representative sample, and administered a questionnaire to 12 processing offices outside New York. The audit scope did not include education grant travels.

III. AUDIT RESULTS

11. The Secretariat’s governance, risk management and control processes examined were assessed as **partially satisfactory** in providing reasonable assurance regarding **compliance with established rules and procedures for education grant disbursement**. OIOS made four recommendations to OHRM and two to DFS to address the issues identified in the audit. The authority to certify and approve education grant had been delegated formally and in accordance with established procedures. However, OHRM needed to improve its monitoring of the delegated authority. The audit did not identify processing errors on reimbursement of tuition and board expenses, which were clearly listed in the policy as admissible expenses. However, a number of processing errors were identified on reimbursing miscellaneous expenses, such as optional expenses, general fees, equipment, gym fees or school supplies, which constituted 16 per cent of the total amount disbursed, as the current policy did not provide clear criteria for their admissibility. OHRM and DFS accepted and are in the process of implementing the audit recommendations.

12. The initial overall rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **partially satisfactory** as implementation of six important recommendations remains in progress.

Table 1: Assessment of key controls

Business objective(s)	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Education grant is disbursed in accordance with established rules and procedures	(a) Delegation of authority system	Satisfactory	Partially satisfactory	Not assessed	Partially satisfactory
	(b) Regulatory framework	Partially satisfactory	Partially satisfactory	Not assessed	Partially satisfactory

A. Delegation of authority system

Delegation of authority for processing education grant claims

13. Processing an education grant claim requires certification by the human resources management office and approval by the finance office for payments. OHRM is responsible for certifying the claims of staff members serving at New York Headquarters. OHRM delegated the authority to certify education grant claims of staff members serving in peacekeeping missions and field-based Special Political Missions to DFS. DFS further delegated its certifying authority to the United Nations Global Service Centre in Valencia (UNGSC) and the United Nations Regional Support Centre in Entebbe (UNRSC). The Office of Programme Planning, Budget and Accounts (OPPBA) held the approving authority and made payments to staff members for the claims certified by OHRM and DFS.

14. As shown in Table 2, OHRM delegated certifying and approving authority for the claims of staff members serving elsewhere, such as Offices away from Headquarters (OAHs), regional commissions and international criminal tribunals, to various offices.

15. Certifying and approving authority were clearly segregated and the authority delegated to the overseas processing offices was properly established.

Table 2: Delegation of authority in the Secretariat for processing education grant

Staff members serving in	Certifying Authority	Approving Authority (payment)	Number of claims in 2011	Total amount processed in 2011	Average per claim in 2011	
Headquarters, New York	OHRM	OPPBA	2,098	\$63,570,132	\$8,297	
Peacekeeping / Special Political Missions	DFS UNGSC	OPPBA	N/A ¹			
	DFS UNRSC	OPPBA	5,564			
OAHs	UNOG ²	UNOG HR	UNOG Finance	1,285	\$15,750,560	\$12,257
	UNON	UNON HR	UNON Finance	638	\$7,835,964	\$12,282
	UNOV	UNOV HR	UNOV Finance	337	\$4,541,675	\$13,477
Regional Commissions	ESCAP	ESCAP HR	ESCAP Finance	207 ³	\$3,306,170	\$15,972
	ECA	ECA HR	ECA Finance	256	\$2,440,970	\$9,535
	ECLAC	ECLAC HR	ECLAC Finance	149	\$1,332,027	\$8,940
	ESCWA	ESCWA HR	ESCWA Finance	152	\$731,985	\$4,816
	ECE	UNOG HR	UNOG Finance	Included in UNOG		
Tribunals	ICTR	ICTR HR	ICTR Finance	658	\$5,267,760	\$8,006
	ICTY	ICTY HR	ICTY Finance	147	\$1,454,087	\$9,892
	UNAKRT	UNAKRT HR	UNAKRT Finance	Included in ESCAP		
Total			13,548	\$106,231,330	\$7,841	

Monitoring by OHRM was inadequate

16. OHRM did not proactively monitor the implementation of delegation of authority by processing offices. As discussed in section B below, several processing offices were incorrectly and inconsistently

¹ UNGSC was established in 2012.

² The United Nations Office at Geneva (UNOG) processes education grant claims for 12 funds and programmes including the United Nations Conference on Trade and Development (UNCTAD), the United Nations Institute for Training and Research (UNITAR) and the International Criminal Court (ICC).

³ Includes 66 claims processed in the United Nations Assistance to the Khmer Rouge Trials in Cambodia (UNAKRT).

implementing the policy on flat-sum board expenses for the claims of staff in the newly designated duty stations, reimbursement of expenses for board within the duty station without proper approval by OHRM, and computation of the amount of special education grant. A review of sample claims by OHRM on a proactive basis would have identified such errors and inconsistencies.

17. OHRM provided backstopping services to the processing offices when questions were raised by the latter. However, more proactive monitoring was necessary as 85 per cent of education grant claims were certified by offices other than OHRM.

(1) OHRM should periodically review a sample of education grant claims disbursed by the processing offices to ensure that the delegation of authority is exercised appropriately.

OHRM accepted recommendation 1 and stated that currently, IMIS does not provide a global view on the education grant cases processed by OAHs and Regional Commissions and monitoring missions has been suspended due to shortage of resources. Pending implementation of Umoja, which will provide an integrated single database and system for processing entitlements, OHRM will look into a possible method of monitoring education grant cases in cooperation with OAHs and Regional Commissions, such as reporting and/or spot checking. With respect to the cases processed by UNGSC and UNRSC, it is understood that the Field Personnel Division (FPD) periodically receives reports from them. HR Services will request FPD to share the reports and see if there is any possibility/need for OHRM to conduct further reviews. Recommendation 1 remains open pending receipt of documentation showing the plans and procedures to conduct periodic reviews of a sample set of education grant claims.

B. Regulatory framework

18. OIOS tested 653 of 13,548 claims or 4.8 per cent, which is considered to be a statistically representative sample size. Table 3 shows the number of sample claims taken from each processing office and the processing errors that were observed by OIOS.

Table 3: Sampled claims and processing errors

Office	Sample size	No. of errors	Error rate	Processing errors				
				(a) Underpayment of flat sum for board	(b) Incorrect determination of admissible/non-admissible expenses	(c) Tuition overcharge by school	(d) Others	
							Grant	Advance
OHRM	100	3	3.0%	0	3	0	0	0
UNGSC	90	6	6.7%	0	5	1	0	0
UNRSC	299	23	7.7%	22	0	0	0	1
UNOG	52	3	5.8%	0	2	0	1	0
UNON	26	5	19.2%	0	5	0	0	0
UNOV	14	0	0.0%	0	0	0	0	0
ESCAP	20	0	0.0%	0	0	0	0	0
ECLAC	15	0	0.0%	0	0	0	0	0
ECA	25	1	4.0%	0	1	0	0	0
ESCWA	15	1	6.7%	0	0	0	1	0
ICTY	15	0	0.0%	0	0	0	0	0
ICTR	15	0	0.0%	0	0	0	0	0
Total	686	42	6.1%	22	16	1	2	1

Entitlement eligibility

19. The audit showed that the conditions of entitlement set out in the related Staff Rules were met in all the claims reviewed during the audit. Controls for ensuring that education grant disbursement was made only for eligible children were adequate.

Processing errors

20. As shown in Table 3, 6.1 per cent or 42 of 686 claims reviewed contained processing errors, resulting in underpayments in the amount of \$16,895 and overpayments in the amount of \$57,127. OIOS identified four types of processing errors from the 42 claims.

(a) Underpayment of flat sum for board

21. The information circulars ST/IC/2009/25, ST/IC/2012/9 and ST/IC/2013/5 which were promulgated by the International Civil Service Commission (ICSC) provided a revised list of classification of duty stations and special entitlements for staff members serving at designated duty stations. On 31 January 2011 the General Assembly approved (resolution 65/248) the revised classification of duty stations by ICSC for the purposes of establishing staff eligibility to receive payment of the additional flat rate for boarding and other additional entitlements. Consequently as of 1 July 2011, staff members serving at newly designated duty stations became entitled to the amount of flat sum for board at the rate of \$9,125 and \$5,619 per child in and outside the United States of America, respectively, instead of the rate for regular duty stations of \$6,083 and \$3,746. The affected staff members' claims were administered by UNRSC in Entebbe, which reports to DFS.

22. Twenty two claims sampled at UNRSC, although entitled at the rate applicable for designated duty stations, were paid at the rate for regular duty stations, resulting in underpayments in the total amount of \$11,704 ranging from \$78 to \$937 per claim. Due to an oversight on the one-time policy change resulting from General Assembly resolution 65/248, UNRSC started reflecting the rate of newly designated duty stations only for the claims received after March 2012. It was necessary for DFS to review all claims for the school year 2011 and make adjustments as applicable to ensure correct payment of flat sum for board.

(2) DFS should review all education grant claims for the school year 2011-2012 affected by the change of duty station status and address the underpayment of flat-sum board expenses.

DFS accepted recommendation 2 and stated that the review of all the 2011-2012 claims is ongoing and any errors identified will be amended accordingly. Recommendation 2 remains open pending receipt of evidence that UNRSC has adjusted the underpayment of flat-sum board expenses for all applicable claims for the school year 2011-2012.

(b) Incorrect determination of admissibility of miscellaneous expenses

23. The guidance provided by the existing policy on determining admissible and non-admissible expenses is as follows. ST/AI/2011/4 provides a specific list of admissible expenses, namely, tuition, board, textbooks, transportation organized by school and lunch at a free school and states that admissible expenses are “expenses for full-time school attendance that are paid directly to the school or are certified by the school as being necessary for school attendance,” except for the expenses that are listed as inadmissible in ST/AI/2011/4 and ST/IC/2005/25. Non-admissible education expenses listed in ST/AI/2011/4 are expenses for correspondence courses including Internet-based courses, private tuition, apprenticeship and summer courses. Non-admissible education expenses listed in ST/IC/2005/25 are after

school programmes, summer camp, non-mandatory field trips, non-mandatory extra-curricular activities, non-mandatory equipment, computers, annual fees, donations, voluntary contributions, damages, driver education, health insurance, purchase of instruments (e.g. music, calculators and microscopes), late fees, public transportation and tuition refund plan.

24. In summary, major educational expenses such as tuition, board and textbooks were clearly defined but miscellaneous expenses are not. Admissible miscellaneous expenses are not listed specifically and explained clearly, which resulted in errors and inconsistencies.

25. In the 686 claims reviewed, there were no errors in determining the admissibility of major educational expenses for tuition, board and textbooks that were clearly listed as admissible expenses in ST/AI/2011/4. However, in 16 claims tested, processing offices made incorrect determination on the admissibility of miscellaneous expenses such as school supplies, gym fees, swimming fees and art supplies. This resulted in overpayment of \$3,690 and underpayment of \$3,655. Processing offices were addressing the errors.

26. In this regard, processing offices explained their difficulty in administering school fees that were not clearly listed in the policy as admissible or non-admissible. For example, a number of schools certified “general fees” and “comprehensive fees” as mandatory in form P.41, which are not mentioned in ST/AI/2011/4 and ST/IC/2005/25 as either admissible or non-admissible expenses. Processing offices informed OIOS that they relied on their experience and judgment as schools often did not provide sufficient clarification of the nature and breakdown of general and comprehensive fees even when repeatedly followed up. This was the case for numerous items such as activity fees, athletics fees, physical education fees, art fees, music class fees, uniforms, laboratory fees, assessment fees, school renovation charges, facility improvement charges etc. These expenses were approved as admissible in some claims but not in other claims.

27. Due to the difficulty in applying ST/AI/2011/4 and ST/IC/2005/25 for miscellaneous expenses, most of the personnel processing education grant claims used a list of admissible and non-admissible expenses that OHRM once developed but no longer endorsed as part of the official policy instead of ST/AI/2011/4 and ST/IC/2005/25. Eight of 12 processing offices, responding to the OIOS questionnaire, commented that ST/AI/2011/4 and ST/IC/2005/25 were not sufficiently clear on defining admissibility of miscellaneous expenses and were open to interpretation.

28. Also, ST/AI/2011/4 and ST/IC/2005/25 could be misused to justify reimbursement of items on grounds that they are “mandatory.” For example, in a claim submitted to ICTY, a school certified an iPod Touch as mandatory. ICTY disbursed Euro 100 as the claim was in accordance with the definition of admissible expense under the current policy. Likewise, ICTY reimbursed the cost of laptop computers when certified by schools as mandatory. In claim No. 52107 processed at UNGSC, a school certified a ski trip costing \$326 as a mandatory expense. UNGSC initially denied but eventually reimbursed the ski trip cost after consultation and consensus among DFS, UNGSC and the Payroll and Disbursement Section of DM. A number of other items such as expensive extra curricular activities and extended field trips could be justified in the same manner.

29. OIOS concluded that the controls for determining admissibility of miscellaneous expenses were not effective. These miscellaneous expenses were costing a substantial amount to the Organization. In 2011, the disbursement on miscellaneous expenses was \$17 million, representing 16 per cent of the \$106 million spent towards education grant.

(3) OHRM should clarify the criteria for admissible and non-admissible educational expenses to minimize processing errors and inconsistencies in determining admissible expenses.

OHRM accepted recommendation 3 and stated that it is in the process of finalizing revisions to ST/IC/2005/25, which will facilitate the criteria for identifying admissible and non-admissible educational expenses through an expanded list of such expenses. Recommendation 3 remains open pending issuance of the revised information circular.

(c) Tuition overcharges

30. Overpayments were made on several claims associated with an international school in Timor Leste. The school's published fee schedule indicated two brackets of tuition rates; \$15,000 for a child fully financed by the parents' employer and \$7,500 for a child partially financed by the parents' employer. In one claim reviewed by OIOS, the form P.41 certified by the school indicated that the school charged \$15,000, instead of \$7,500. Since the UN education grant makes partial reimbursement of school expenses, the school should have charged \$7,500. This prompted OIOS to review additional claims related to this school. Among nine other claims for the school year 2011, the school had charged \$15,000 for eight claims and \$7,500 for one claim. The total overpayment in these cases was \$50,625, and could be larger going back over the past years. It was necessary for DFS to identify the full amount of overpayments over the past years and take necessary action to recover them.

(4) DFS should review all education grant claims certified by a school in Timor Leste for possible tuition overcharges and take necessary action to recover the overpayments.

DFS accepted recommendation 4 and stated that it has reviewed the education grant claims certified by the school in Timor Leste for possible tuition overcharges and further cases were identified. In a memorandum dated 18 January 2013, DFS referred the case to OIOS' Investigations Division for further investigation. Recommendation 4 remains open pending receipt of documentation showing that the tuition overcharges have been recovered.

(d) Other processing errors

31. Other processing errors were identified in three claims. In two claims (United Nations Office at Geneva and Economic and Social Commission for Western Asia) where children received scholarship, the scholarship was deducted from the admissible expenses without considering the non-admissible expenses, resulting in a \$962 overpayment. This is contrary to section 3.6 of ST/AI/2011/4, which requires, in computing the amount of the grant, deduction of the amount of scholarship first from non-admissible education expenses and the balance, if any, from the admissible educational expenses. In one case processed at UNRSC, a request of advance was mistakenly denied and no disbursement was made to the staff member. Relevant processing offices were addressing these errors.

Results of OIOS questionnaires to processing offices

32. OIOS administered a questionnaire to 12 processing offices outside New York, which contained 31 questions inquiring about their application of key policy requirements in ST/AI/2011/4 and ST/IC/2005/25. The response of the 12 offices indicated that the majority of policy requirements in ST/AI/2011/4 and ST/IC/2005/25 were adhered to and implemented consistently across the Secretariat. However, some offices did not comply with ST/AI/2011/4 and ST/IC/2005/25 in the following three areas.

(a) Amount of special education grant in relation to regular education grant

33. Section 14.1 of ST/AI/2011/4 states that when special arrangements for a disabled child are made at a regular educational institution, 100 per cent of the expenses for special arrangements as well as 100 per cent of expenses for regular curriculum are reimbursed. UNOG, ECA, ESCWA and ESCAP stated that they reimburse the expense for special arrangements at 100 per cent but for a regular curriculum at 75 per cent. This is not in accordance with section 14.1 of ST/AI/2011/4. UNON, UNOV, ECLAC, ICTY and ICTR stated that they disbursed the amount of special education grant as specified in Section 14.1 of ST/AI/2011/4.

(b) Amount of special education grant for local staff

34. Special education grant is admissible to all categories of staff members including local staff who are not entitled to a regular education grant. If a disabled child of a local staff member attends a regular educational institution with special arrangement for the child, the staff member is entitled to reimbursement of both expenses for special arrangements and regular curriculum. However, UNOG, ECA, ESCWA, and ECLAC stated that they reimburse only the portion for the special arrangement made by the school for the disabled child of a local staff member.

(c) Reimbursement of expenses for board within duty station on an exceptional basis

35. Expenses for board are admissible only when the school attended by a child is located outside the country where the staff member is serving. Exceptionally, expenses for board for a child attending a school within the country are admissible when the school attended by child is beyond commuting distance from the area where the staff member is serving and in the opinion of the Secretary-General, no school in the area would be suitable for the child, as stated in Section 3.2 (b) of ST/AI/2011/4.

36. UNOG obtained an exceptional approval from OHRM and reimbursed the expenses for board for the children attending a limited number of educational institutions within Switzerland. This complied with ST/AI/2011/4 3.2 (b).

37. UNOV and ICTR reimbursed the expenses for board for the children attending educational institutions within the duty station beyond commuting distance, without obtaining exceptional approvals from OHRM. This practice did not comply with Section 3.2(b) of ST/AI/2011/4.

(5) OHRM should ensure that policy requirements for education grant are implemented consistently by instructing processing offices to reimburse: (a) 100 per cent of expenses for special arrangements and regular curriculum for a disabled child of internationally and locally recruited staff, when special arrangements are made at a regular educational institution; and (b) expenses for board within the duty station only when exceptionally approved by OHRM.

OHRM accepted recommendation 5 and stated that upon receipt of the final audit report, it will share the audit findings with all offices and remind them of the manner in which sections 3.2 (b) and 14 of ST/AI/2011/4 should be administered. Recommendation 5 remains open pending receipt of a copy of communication to the processing offices ensuring that the policy requirements in sections 3.2 (b) and 14 of ST/AI/2011/4 are implemented consistently.

Communication of disbursement details to staff

38. Processing offices do not proactively inform staff members of accepted expense items, prorated amounts, and other computation methods on the disbursed amount of education grant, unless individually followed up by staff members. The current process lacks transparency and deprives staff members of the opportunity to identify potential errors and request corrections. In the view of OIOS, all disbursements of education grant advances and claims should be accompanied with a statement showing itemization of accepted and unaccepted expenses.

(6) OHRM should ensure that disbursements of education grant to staff members are accompanied with a statement showing itemization of accepted and unaccepted school expenses.

OHRM accepted recommendation 6 and stated that it will be requesting Umoja to consider a design change to enable the functionality of producing a statement showing itemization of accepted and unaccepted school expenses since this functionality does not exist in IMIS and neither was it conceived in the current Umoja design. It also stated that the feasibility of the design change will depend on technical and financial implications. Recommendation 6 remains open pending establishment of a policy which requires that education grant payments are accompanied with a statement showing itemization of accepted and unaccepted school expenses.

IV. ACKNOWLEDGEMENT

39. OIOS wishes to express its appreciation to the Management and staff of OHRM and DFS for the assistance and cooperation extended to the auditors during this assignment.



David Kanja, Assistant Secretary-General
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of education grant disbursement in the Secretariat

Recom. no.	Recommendation	Critical ⁴ / important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
1	OHRM should periodically review a sample of education grant claims disbursed by the processing offices to ensure that the delegation of authority is exercised appropriately.	Important	O	Receipt of documentation showing the plans and procedures to conduct periodic reviews of a sample set of education grant claims.	30 June 2013
2	DFS should review all education grant claims for the school year 2011-2012 affected by the change of duty station status and address the underpayment of flat-sum board expenses.	Important	O	Receipt of evidence that UNRSC has adjusted the underpayment of flat-sum board expenses for all applicable claims for the school year 2011-2012.	Fourth quarter of 2013
3	OHRM should clarify the criteria for admissible and non-admissible educational expenses to minimize processing errors and inconsistencies in determining admissible expenses.	Important	O	Issuance of the revised information circular.	30 June 2013
4	DFS should review all education grant claims certified by a school in Timor Leste for possible tuition overcharges and take necessary action to recover the overpayments.	Important	O	Documentation showing that the tuition overcharges have been recovered.	31 December 2013
5	OHRM should ensure that policy requirements for education grant are implemented consistently by instructing	Important	O	Receipt of a copy of communication to the processing offices ensuring that the policy requirements in sections 3.2 (b) and 14 of	30 June 2013

4 Critical recommendations address significant and/or pervasive deficiency or weakness in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

5 Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

6 C = closed, O = open

7 Date provided by OHRM and DFS in response to recommendations.

Recom. no.	Recommendation	Critical/ ⁴ important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
6	<p>processing offices to reimburse: (a) 100 per cent of expenses for special arrangements and regular curriculum for a disabled child of internationally and locally recruited staff, when special arrangements are made at a regular educational institution; and (b) expenses for board within the duty station only when exceptionally approved by OHRM.</p> <p>OHRM should ensure that disbursements of education grant to staff members are accompanied with a statement showing itemization of accepted and unaccepted school expenses.</p>	Important	O	<p>ST/AI/2011/4 are implemented consistently.</p> <p>Establishment of a policy which requires that education grant payments are accompanied with a statement showing itemization of accepted and unaccepted expenses.</p>	31 July 2014