



INTERNAL AUDIT DIVISION I
OFFICE OF INTERNAL OVERSIGHT SERVICES

TO: Mr. Azouz Ennifar
A: Deputy Special Representative of the Secretary-General,
UNMEE

DATE: 28 June 2006

REFERENCE: AUD-7-5:21 (06-00366/06)

FROM: Dagfinn Knutsen, Acting Director
DE: Internal Audit Division-I
Office of Internal Oversight Services

A handwritten signature in blue ink, appearing to read 'Dagfinn Knutsen', written over the typed name.

SUBJECT: **OIOS Audit No: AP2005/624/07: Mission Subsistence Allowance payments in UNMEE**
OBJET:

1. I am pleased to present herewith our final report on the above-mentioned audit, which was conducted during November – December 2005.
2. We note from your response to the draft report that UNMEE has generally accepted the recommendations. Based on the response, we are pleased to inform you that we have closed recommendations 1, 3, 8 to 10, 12 to 16, 18 and 20 in the OIOS recommendations database. In order for us to close out the remaining recommendations (i.e., 2, 4 to 7, 11, 17, 19, 21 and 22), we request that you provide us with additional information as indicated in the text of the report. Please refer to the recommendation number concerned to facilitate monitoring of their implementation status. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as critical (i.e., recommendations 1, 3, 5, 7, 9 and 20), in its annual report to the General Assembly and semi-annual report to the Secretary-General.
3. IAD is assessing the overall quality of its audit process and kindly requests that you consult with your managers who dealt directly with the auditors and complete the attached client satisfaction survey form.
4. I take this opportunity to thank the management and staff of UNMEE for the assistance and cooperation provided to the auditors in connection with this assignment.

Copy to: Mr. Jean-Marie Guéhenno, Under-Secretary-General for Peacekeeping Operations
Mr. Philip Cooper, Acting Director, ASD/DPKO
Mr. Vitali Petrounev, Chief Administrative Officer, UNMEE
UN Board of Auditors
Programme Officer, OIOS
Ms. Juanita Villarosa, Chief Resident Auditor, UNMEE

Office of Internal Oversight Services

Internal Audit Division I



Mission Subsistence Allowance Payments in UNMEE

Audit no: AP2005/624/07
Report date: 28 June 2006
Audit team: Juanita Villarosa and Atreyee Das

EXECUTIVE SUMMARY

Mission Subsistence Allowance payments in UNMEE (AP2005/624/07)

OIOS conducted an audit of the mission subsistence allowance (MSA) payments in UNMEE. The overall objectives of the audit were to assess the effectiveness of controls in calculating and paying MSA; determine the accuracy of the attendance records; and ascertain compliance with the administrative instructions for the payment of MSA. The audit also examined the payment of special MSA rates to mission personnel traveling to Addis Ababa/Asmara and staying in the hotels designated for special MSA rates. In addition, the audit reviewed the implementation of OIOS recommendations made in its previous audits of attendance and leave records of military observers and civilian personnel conducted in April 2001 and April 2003.

The audit showed that MSA payments to both international civilian personnel and the United Nations Military Observers (UNMOs) were not always made in compliance with DPKO guidelines and UNMO SOPs which resulted in excess payments totaling \$13,000. In certain cases, the basis for computing MSA was not accurate (e.g., monthly attendance records showed staff and UNMOs as present on days they were absent) the Field Personnel Management System's leave records were not correct, and sick leave on hospitalization, which entails reduced MSA rates, was not recognized. OIOS also noted that special MSA rates were granted on the basis of authorizations issued after the travel was made and for non-official travel.

The units in charge of keeping and monitoring the attendance of civilian and military personnel as well as the computation of MSA should exercise due care in applying the DPKO and Mission regulations related to MSA. Leave balances of personnel who were given excess leave credits should be adjusted, and invalid or erroneous MSA payments should be recovered from the personnel concerned.

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I. INTRODUCTION

1. OIOS conducted an audit of Mission Subsistence Allowance (MSA) payments in the United Nations Mission in Ethiopia and Eritrea (UNMEE) during November and December 2005. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. MSA is a daily allowance paid by the United Nations for living expenses incurred in connection with temporary assignment or appointment to a special mission. UNMEE has been designated as a Special Mission since its inception in October 2000. Accordingly, the international staff and military observers posted at UNMEE are entitled to receive MSA.
3. The Mission has its headquarters in Asmara, Eritrea and a liaison office in Addis Ababa, Ethiopia. The MSA rates for the Mission were initially established by the 26 October 2000 Administrative Instruction 00/06 and have been revised from time to time. There is also a special MSA rate payable to staff traveling on duty from Addis Ababa to Asmara or vice versa and staying at hotels designated for special MSA rates.
4. As at 31 October 2005, a total of 373 UNMEE personnel consisting of 182 international civilian staff and 191 military observers were receiving MSA. MSA payments during the period July 2004 to June 2005 amounted to \$5,934,568 for international civilian staff and \$6,234,370 for military observers.
5. The comments made by the Management of UNMEE on the draft audit report have been included in the report as appropriate and are shown in italics.

II. AUDIT OBJECTIVES

6. The overall objectives of the audit were to: assess the effectiveness of controls in calculating and paying MSA, including deductions; determine the accuracy of the attendance records; and ascertain compliance with the administrative instructions for the payment of MSA. The audit examined the payment of special MSA rates to mission personnel traveling to Addis Ababa/Asmara and staying in the hotels designated for special MSA rates. The audit also reviewed the implementation of OIOS recommendations made in its previous audits of attendance and leave records of military observers and civilian personnel conducted in April 2001 and April 2003.

III. AUDIT SCOPE AND METHODOLOGY

7. The audit covered MSA payments made during the period July to October 2005. OIOS conducted interviews with key personnel involved in the processing of MSA payments such as the Chief Finance Officer, Chief Civilian Personnel Officer and Chief, Observer Management Cell (OMC) and reviewed attendance, leave and hospitalization records, as well as the records in the Field Personnel Management System (FPMS), Progen and SunSystem. OIOS also compared the records maintained by the Transport Section, Telephone Billing Unit, Level-I Clinic/Level-II Hospital and Claims Unit in order to check the accuracy of deductions made from MSA for

liberty mileage, telephone charges, medical charges and other claims relating to international staff and military observers. OIOS examined the records maintained by the Movement Control Unit (MovCon) in order to check the accuracy of claims for hazard pay for international civilian staff and compensatory time-off (CTO) for the United Nations Military Observers (UNMOs). The audit did not cover the establishment and review of MSA rates.

IV. OVERALL ASSESSMENT

8. MSA payments to the international civilian personnel and UNMOs were not consistently made in compliance with DPKO guidelines and UNMO SOPs. There were instances where the basis for computing MSA was not accurate, such as, monthly attendance records showed international staff and UNMOs as present on days they were absent, FPMS leave records were not correct and sick leave on hospitalization, which entails reduced MSA rates, was not recognized. OIOS tests of sample MSA payments showed excess payments totaling \$13,000. OIOS also noted that special MSA rates were granted on the basis of authorizations issued after the travel was made and for non-official travel.

V. AUDIT FINDINGS AND RECOMMENDATIONS

A. International civilian personnel

Inaccurate attendance records

9. ST/AI/1993/13 Section 3 (3.1) requires absence from work of two hours or longer and up to four hours to be counted as one half day and absence of more than four hours to be counted as one full day. The Chief Administrative Officer, in his 29 December 2003 Administrative Circular No. 03/35 drew attention to the fact that some personnel had been traveling to Addis Ababa, ostensibly on duty, but in actual fact, were on leave or travel for personal purposes. In such cases, the days shown as being on duty should be charged against leave days.

10. OIOS' comparison of the Monthly Attendance Records (MARs) with the Movement of Personnel forms (MOPs) indicated that staff traveled for annual leave or long weekends to Addis Ababa and to the sectors on official time without filing for annual leave on the day of the flight, which was a weekday. Staff members were marked present on the day of the travel in MARs or checked themselves "present" in their MARs even though the MOPs clearly showed the purpose of travel was annual leave. This resulted in the overstatement of staff members' leave balances, loss of UN official working time and overpayments.

11. In the previous manual system of filing MOPs, all staff members, before proceeding on non-duty travel on UN transportation on official working time, were required to attach an approved leave application to the MOPs for the Section Chief/Approving Officer's signature. This would ensure that the travel dates matched the approved leave and there was no loss of UN time. This control procedure was stopped with the implementation of the electronic Movement of Personnel (e-MOP) system, although the system did not automate the procedure. Hence, traveling on official working time for annual leave or for spending weekends in Addis Ababa goes unnoticed.

12. Moreover, the Personnel Section is not being provided with accurate leave records by the various sections. It relies principally on filed approved leave applications and MARs submitted by the sections. There is a need to strengthen the internal controls in the recording of attendance in order to ensure that all absences from duty are accurately and promptly reported to the Personnel Section.

Recommendation 1

The UNMEE Administration should ensure that all staff involved in attendance-keeping and monitoring are adequately trained on all policies and regulations related to personnel attendance, leave and MSA entitlements and deductions (AP2005/624/07/01).

13. *The UNMEE Administration accepted recommendation 1 and stated that the Personnel Section will conduct training sessions for attendance keepers to ensure that they are well-versed with the relevant rules and procedures. The first such session was held in April 2006 and a standard attendance sheet was issued in March 2006.* Based on the Mission's response, OIOS has closed recommendation 1.

Recommendation 2

The UNMEE Administration should advise all international staff about the need to accurately complete the attendance sheets and warn them that the intentional submission of incorrect attendance sheets could result in disciplinary action (AP2005/624/07/02).

14. *The UNMEE Administration accepted recommendation 2 and stated that by regular and timely e-mail communication, the Personnel Section has already started advising staff and their supervisors of correct policies and procedures to address discrepancies in monthly attendance records. The Mission will draft an information circular for the CAO's signature.* Recommendation 2 remains open pending receipt of a copy of the information circular proposed to be issued by UNMEE.

Recommendation 3

The UNMEE Administration should direct the Civilian Personnel Section to reconcile the Movement of Personnel forms with the Monthly Attendance Records in order to verify the accuracy of attendance and leave records (AP2005/624/07/03).

15. *The UNMEE Administration accepted recommendation 3 and stated that the Personnel Section is taking corrective action for past errors and is carefully reviewing recent submissions of MARs against leave records, MOPs, manifests and supporting documentation (such as*

exit/entry stamps in UNLPs and passports, and ticket stubs) provided by staff upon return from leave. Based on the Mission's response, recommendation 3 has been closed.

Recommendation 4

The UNMEE Administration should instruct Section Chiefs or Approving Officers that they should approve "non-duty" MOPs on official working time only after they have approved the leave applications (AP2005/624/07/04).

16. *The UNMEE Administration accepted recommendation 4 and stated that the Mission will issue an information circular accordingly. Recommendation 4 remains open pending receipt of a copy of the information circular proposed to be issued by UNMEE.*

Recommendation 5

The UNMEE Administration should adjust the leave records of personnel found to have overstated leave balances and recover any excess payments made as a result of these inaccuracies (AP2005/624/07/05).

17. *The UNMEE Administration accepted recommendation 5 and stated that the adjustment and recovery exercise commenced in March 2006 and is continuing. Recommendation 5 remains open pending receipt of documentation from UNMEE showing the adjustments and recoveries made since implementing this recommendation.*

Inaccurate leave records

18. The DPKO Human Resources Handbook requires staff attendance and leave information to be recorded in the attendance module of FPMS. The Finance Section uses the FPMS-generated attendance records to pay MSA. OIOS' comparison of FPMS records with MARs and the MSA roster indicated the following:

- A staff member (I-1305) was on paternity leave inside the Mission area from 8 to 17 August 2005 per the MARs but this was not reflected in the MSA roster and the FPMS showed him as being on paternity leave only until 12 August 2005.
- A staff member (I-1241) was incorrectly shown in the September 2005 MSA roster as being on sick leave outside the Mission Area and MSA was deducted for 14 days. The staff member's MARs showed that he was on official business outside the Mission Area from 10 to 23 September and in Barentu on 24 September whereas FPMS showed that he was on official business outside the Mission area from 10 to 25 September 2005.
- A staff member (I-1678) was shown in the MARs as being on uncertified sick leave in the Mission Area on 22 July 2005 but FPMS showed it as annual leave.

- A staff member (I-1265) was shown in MARs and FPMS as being on annual leave from 1 to 8 July 2005 but this was not reflected in the MSA roster.
- A staff member (I-1059) was shown in the MARs of October 2005 as being on home leave from 17 to 31 October. The leave request, however, stated that he was on family visit from 17 October to 8 November. FPMS records showed that the staff member was on family visit from 20 October to 2 November 2005, with 17 to 19 October and 3 to 8 November as official travel time. However, 4 November was not reflected in FPMS as travel time.

Shortcomings in FPMS

19. OIOS noted the following shortcomings in FPMS:

- A staff member's leave records for the year 2005 were mixed up with the leave records for the year 2001 of another staff member and for the year 2004, the leave records of the former contained the records for 2001 of other staff members. This may lead to incorrect calculation of leave balances. For example, the 2005 leave records of a staff member (I-1205) contained the records for 2001 of another staff member (I-1117). A check of the latter's records for 2002 showed a carry-over of annual leave balance of 7.5 days from 2001. However, in 2001, he had already utilized 42 days of leave against the 30 days he was eligible for. FPMS also showed that he had not taken any certified sick leave in 2001 whereas he had actually taken 2 days of leave. A possible reason could be that his leave for 2001 was included in the leave records of another person.
- FPMS recorded certain dates (1 July and 9 November 2005) as a separate entry in the system. For instance, one staff member (I-1212) was on leave from 30 June to 12 July 2005. The system records him as being on leave from 30 June to 12 July shown as "8 days" instead of 9 days and there is a separate entry for 1 July which is incorrectly shown as "0 days" instead of 1 day. In another case, a staff member (I-1704) took leave from 25 June to 24 July 2005. The system records her leave as such but counts it as 19 days instead of 20 days, and then records 1 July 2005 separately as 1 day. Although the total number of days of leave remains the same, 1 July 2005 is again recorded as a separate date although it is already included in the block of dates of the leave period. One staff member (I-1167) was on family visit from 8 to 26 November 2005 (14 days) which the system showed as 13 days. The 9 November leave was shown as a separate entry.
- The leave records for the year 2005 for most personnel who recently left the Mission were moved to the historical records section of FPMS, but records pertaining to earlier periods still remained in the current database.

Recommendation 6

The UNMEE Civilian Personnel Section, with the help of the Information Technology Unit, should correct the inaccuracies

noted in the maintenance of attendance and leave records in FPMS (AP2005/624/07/06).

20. *UNMEE accepted recommendation 6 and stated that time and attendance records of staff members who have departed the Mission will be moved to the historical records section in FPMS. Recommendation 6 remains open pending confirmation by UNMEE that it has been fully implemented.*

Personnel hospitalized in the Mission Area

21. The approved monthly attendance sheet forms the basis for calculating the MSA payments. MSA is composed of three portions: accommodation, meals and miscellaneous expenses. When a staff member is admitted in a hospital, he/she is entitled only to the accommodation portion of the total allowance. However, OIOS identified two cases where full MSA was paid to hospitalized staff members instead of the accommodation portion only.

Recommendation 7

The UNMEE Chief Medical Officer should provide the Chief Civilian Personnel Officer, Chief Military Personnel Officer and Finance Section with medical certificates or records of hospitalized civilian and military personnel every month in order to ensure that MSA is appropriately adjusted for periods of hospitalization (AP2005/624/07/07).

22. *UNMEE accepted recommendation 7 and stated that at the end of each month, the relevant Personnel Sections (i.e., CCPO and CMPO) and the Finance Section will be provided with a report giving details and duration of hospitalized personnel. Recommendation 7 remains open pending receipt of copies of sample reports from UNMEE showing that this is being done.*

Hazard payments

23. Hazard payments were late by over three months, owing to the delay in the Civilian Personnel Section in forwarding the list of hazard payments to Finance Section. For example, the list of hazard payments for July 2005 was sent to Finance Section only on 21 October 2005.

24. There were staff eligible for hazard pay who did not get paid due to wrong recording and certification in MARs. Although the Passenger Manifest showed that the following personnel had traveled to areas eligible for hazard payments, their MARs indicated that they were present in Asmara and thus they had not been paid hazard payments:

- A staff member (Index No. 665443) traveled on 8 July 2005 from Asmara to Barentu and Adi Tecele.
- A staff member (I-1385) went from Asmara to Barentu on 13 July 2005.

- A staff member (I-1719) traveled on 27 July from Barentu to Asmara.

Recommendation 8

The UNMEE Civilian Personnel Section should ensure that the list of hazard payments is forwarded to the Finance Section on a timely basis and that eligible staff are paid accordingly (AP2005/624/07/08).

25. *UNMEE accepted recommendation 8 and stated that the backlog in hazard allowance payments has almost been cleared and the delay has been reduced from six months to two months. Hazard allowance payments for February 2006 were submitted to the Finance Section in April 2006.* Based on the Mission's response, recommendation 8 has been closed.

Inadequate e-MOP system validation

26. The e-MOP system was introduced on 1 March 2005 and replaced the old manual system of submission of MOPs. OIOS' review of hazard payments made during the period of review revealed that an international staff member (I-1312) submitted an e-MOP on 11 July 2005 for official travel from Asmara to Assab on 13 July, returning on 15 July. He simultaneously submitted another e-MOP for official duty from Asmara to Adi Quala on the same day, showing transport using UNMEE vehicle and stating that he would be going in the afternoon and returning on the same day. The passenger manifest showed that he traveled from Asmara to Assab at 8 AM on 13 July 2005 and therefore could not have gone to Adi Quala. He however marked himself as present both in Assab and Adi Quala on that day in the MARs and received hazard pay for the trip to Adi Quala, which was actually not undertaken.

Recommendation 9

The UNMEE Communications and Information Technology Section should modify the e-MOP system to ensure that it blocks the creation of a second MOP pertaining to travel on the same date for which an MOP has already been created (AP2005/624/07/09).

27. *UNMEE accepted recommendation 9 and stated that Version 5 of e-MOP has been implemented, which does not allow the creation of a second MOP to travel on the same date for which an MOP has already been created.* Based on the Mission's response, recommendation 9 has been closed.

Wrong use of codes

28. MARs has standard codes for Team Sites and for indicating whether a staff member is present, on sick leave, in Addis Ababa or on official business outside the Mission Area. However, these were sometimes incorrectly used, resulting in confusion.

- A staff member (I-1265) was on medical evacuation from 26-31 July 2005. However, in the MARs this was indicated as “ME” which was the code for team site Mendeferra.
- A staff member (I-1678) went to Addis Ababa on 25 August 2005 as a duty passenger and returned on 28 August as a non-duty passenger. He was however marked as “P” present in Asmara for the whole month instead of “AD” to show that he was in Addis Ababa on those days.
- A staff member (I-1679) was on official business to South Africa. In the MARs this was indicated as “SA” which was not an official code. Instead, the code “B”, indicating official business outside the Mission Area should have been used.

Recommendation 10

The UNMEE Chief Civilian Personnel Officer should ensure that attendance keepers use the correct codes in recording attendance to facilitate correct MSA and hazard payments (AP2005/624/07/10).

29. *UNMEE accepted recommendation 10 and stated that attendance keepers have been advised that they should use the standard MAR format issued in March 2006, including the correct codes for recording attendance. They will be reminded of this during the training sessions to be conducted by the Personnel Section. Based on the Mission’s response, recommendation 10 has been closed.*

B. Military observers

DPKO guidelines not reflected in UNMO SOP

30. The November 2001 DPKO guidelines for the selection, deployment, rotation, transfer and repatriation of UNMOs introduced a revised compensatory time-off policy for UNMOs. However, the UNMO SOP which was issued in 2003 does not incorporate some of these provisions leading to incorrect application of CTO rules. OIOS noticed that the OMC was not aware of the maximum number of days of CTO that an UNMO could avail during a one-year tour of duty although this has been laid down in the DPKO guidelines. Furthermore, while the UNMO SOP states that CTO could be taken only after 30 days of continuous duty, this is not mentioned in the DPKO guidelines. The DPKO guidelines also do not state anything about the CTO cycle starting again after sick leave.

Recommendation 11

The UNMEE Administration should revise the Standard Operating Procedures relating to UN Military Observers to bring them in line with the provisions of the DPKO guidelines,

particularly with respect to compensatory time-off (AP2005/624/07/11).

31. UNMEE accepted recommendation 11 and stated that the Personnel Section, upon request, has received a copy of UNMO SOPs from the CMPO, which will be reviewed. Discrepancies that are noted will be brought to the attention of the CMPO for revision in the areas where the SOP is not in line with the DPKO guidelines, particularly with regard to the policy for CTO. Recommendation 11 remains open pending receipt of confirmation from UNMEE that it has been fully implemented.

Monthly attendance reports sent in advance

32. According to the 24 November 2000 Administrative Instruction No. 00/13, the attendance record is to be completed at the end of each month and forwarded to the Civilian Personnel Section by the 2nd of the following month. OIOS found that the attendance reports for UNMOs were being prepared and submitted by some team sites well before the end of the month. For example, TS Badme submitted the MARs for July, August, September and October on the 27th, 26th, 21st and 24th of the respective months, while TS Om Hajer submitted the reports on the 24th of every month. TS Adi Quala submitted the MARs for October on the 20th of the month.

33. Early submission of attendance reports may result in inaccurate certification of leave for the rest of the month and may result in cases where although an UNMO on leave is marked as present. For example, the July 2005 MARs for TS Shiraro was prepared on 26 July 2005 and an UNMO (ID 3300) was shown as present from 1 to 5 July, on CTO from 6 to 17 July and present from 18 to 31 July. OIOS' review of the Passenger Manifest for 29 July, however, showed that the UNMO went from Asmara to Addis Ababa on 29 July as a non-duty passenger. The August 2005 MARs further showed that the UNMO was on AL from 1 to 5 August and then on compassionate leave from 6 to 10 August and returned to Asmara only on 10 August. Hence, the UNMO could not be present in the mission area from 29 to 31 July, as reflected in the MAR submitted in advance.

34. In another case, an UNMO (3326) arrived in Asmara on 17 July and was posted to TS Tsorena on 27 July 2005. However, his name was not reflected in the MARs for that month as the report was prepared on the 27th itself.

35. Unlike the Civilian Personnel MARs, UNMOs are not required to sign and certify their respective attendance position as reflected in the MARs. Also the MARs form used by the various units/Team Sites are not uniform. Some of them do not contain codes to depict when an UNMO is on official business in Addis Ababa (only TS Mendefera uses this code) while others do not have a code to depict that an UNMO is absent (e.g., TS Shiraro, Adi Quala, Mai Aini, Adigrat). Some reports also use codes such as "TO" for time off, "O" for occasional recuperation and "TL" for time in lieu of UN holiday (TS Mendeferra) while others use "SL" for special leave and "TD" for travel day (e.g., TS Bure), which do not apply to UNMOs.

Recommendations 12 to 14

The UNMEE Administration should:

- i. Advise the team sites to comply with the administrative instruction (00/13) on the submission of monthly attendance records to the Civilian Personnel Section by the 2nd of the following month (AP2005/624/07/12);
- ii. Require the military observers to sign their MARs (AP2005/624/07/13); and
- iii. Advise the team sites to use standard codes to facilitate uniform identification of an UNMO's attendance status (AP2005/624/07/14).

36. *The UNMEE Administration accepted recommendations 12, 13 and 14 and confirmed that these recommendations had been implemented as of February 2006. Based on the Mission's response, recommendations 12, 13 and 14 have been closed.*

Inaccurate leave, CTO and attendance records

37. OIOS noted the following inaccuracies in the reporting of annual leave and CTO:

- a. According to Rule 110.2 of the UNMO SOP, an UNMO can commence his/her travel in the afternoon a day before his/her date of commencement of CTO/leave. Similarly the UNMO must arrive to his/her duty station by the forenoon of the following day of expiry of CTO/leave. OIOS noted that when the UNMOs went on annual leave/CTO, they would leave their team sites 1 or 2 days prior to the actual date of the leave and return 1 or 2 days after. OIOS' found six cases of overpayments totaling \$640 resulting from this practice.
- b. There were three instances where an UNMO was marked as present in MARs but was actually on CTO or leave.
- c. According to the DPKO Instructions of November 2001, a maximum of 56 days of CTO can be taken during a one year tour of duty. In the following cases, excess CTO was granted, leading to excess payment of MSA:

| ID # | Tour of Duty | Total CTO taken | Excess CTO | MSA Overpayment |
|--------------|-----------------------|-----------------|------------|-----------------|
| 3079 | 16 May 04 -16 Aug 05 | 86 | 18 | \$1,440 |
| 3122 | 17 Sep 04 - 19 Sep 05 | 66 | 10 | 800 |
| 3142 | 27 Sep 04 - 27 Sep 05 | 62 | 6 | 480 |
| TOTAL | | | | \$2,720 |

d. An UNMO (3206) who went on leave asked for 9 days of sick leave and requested that the extra days be adjusted against his future annual leave credits. However, the UNMO SOP states that an UNMO is not entitled to MSA when on sick leave, outside the Mission Area, without the certification of an authorized UNMEE Medical Officer. Due to this incorrect practice, the Mission overpaid the UNMO by \$720.

e. According to Rule 111.4 of the UNMO SOP, when an UNMO is sick and hospitalized in a UN Hospital, MSA is reduced to \$37 to cover the accommodation expenses. OIOS noted six cases where the UNMO was paid full MSA during the days the UNMO was in the Jordanian Level II Hospital. Consequently, the Mission overpaid a total of \$1,118 to this UNMO.

Recommendation 15

The UNMEE Administration should ensure that attendance keepers in the Observer Management Cell are aware of and correctly apply the rules on entitlement to compensatory time-off, annual leave and sick leave (AP2005/624/07/15).

38. *The UNMEE Administration accepted recommendation 15 and stated that the Civilian Personnel Section will work closely with the Observer Management Cell in ensuring that CTO and leave policies are complied with and strictly adhered to.* Based on the Mission's response, recommendation 15 has been closed.

Recommendation 16

The UNMEE Administration should advise the Civilian Personnel Section to diligently review the military observers' attendance records. Where applicable, attendance records should be cross-checked against the MOPs, leave forms and other relevant records (AP2005/624/07/16).

39. *The UNMEE Administration accepted recommendation 16 and stated that the Civilian Personnel Section will diligently review the military observers' MARs, which will be cross-checked against MOPs, leave forms and other relevant records.* Based on the Mission's response, recommendation 16 has been closed.

Recommendation 17

The UNMEE Administration should ensure that the excess MSA payments identified are recovered immediately (AP2005/624/07/17).

40. *The UNMEE Administration partially accepted recommendation 17 and stated that recoveries would be made only in cases of travel time and hospitalization, where MSA overpayment may have occurred. However, the Mission disagreed with the audit conclusion that there was any excess use of CTO days. UNMEE contended that according to the Mission's records, there was no excess use of CTO days resulting in MSA overpayment. Recommendation 17 remains open pending OIOS' review of the documentation based on which the Mission contends that there was no excess use of CTO days.*

Inconsistent attendance information in MPIS and MARs

41. The main control mechanism for monitoring the CTO/AL taken by each UNMO is the Military Personnel Information Sheet (MPIS) that the OMC maintains for each UNMO. It is essential that this record agrees with the data contained in the MARs, to ensure that attendance records maintained by the Personnel Section and OMC are reliable bases for granting CTO, annual leave and MSA. However, OIOS' comparison of MPIS and MARs revealed that in four sample cases, the attendance information between the two records was inconsistent.

Recommendation 18

The UNMEE Administration should ensure the accuracy and consistency of records maintained by the Civilian Personnel Section and the Observer Management Cell (AP2005/624/07/18).

42. *The UNMEE Administration accepted recommendation 18 and stated that MARs are being cross-checked against MOPs, leave forms and other relevant records, and inaccurate submissions are being returned to OMC for corrective action and re-submission. Based on the Mission's response, recommendation 18 has been closed.*

Incorrect application of CTO rules

43. OIOS also noted the following instances of non-compliance with or incorrect application of CTO rules:

- a. According to Rule 111.1 of the UNMO SOP, UNMOs are entitled to six days of CTO after 30 days of continuous work. In the following cases, CTO was granted although the officer had not worked continuously for 30 days:

| ID # | Previous CTO/AL ended on | No. of days worked | Next CTO commenced on |
|-------------|---------------------------------|---------------------------|------------------------------|
| 3122 | 13.7.05 | 6 | 20.7.05 |
| 3074 | 7.7.05 | 17 | 25.7.05 |
| 3205 | 3.7.05 | 25 | 29.7.05 |
| | 2.8.05 | 27 | 30.8.05 |
| | 14.10.05 | 29 | 12.11.05 |
| 3234 | 1.7.05 | 20 | 22.7.05 |

| | | | |
|------|----------|----|-----------------|
| 3160 | 10.7.05 | 20 | 31.7.05 |
| 3148 | 5/6.7.05 | 24 | 31.7.05 |
| | 8.8.05 | 25 | 3.9.05 |
| 3286 | 14.8.05 | 12 | 27.8.05 |
| 3143 | 17.8.05 | 10 | 28.8.05 |
| 3153 | 2.8.05 | 27 | 30.8.05 |
| 3178 | 3.8.05 | 20 | 24.8.05 |
| | 29.8.05 | 15 | 14.9.05 |
| | 18.9.05 | 10 | 29.9.05 |
| 3169 | 15.8.05 | 16 | 1.9.05 |
| | 5.9.05 | 19 | 25.9.05 |
| 3191 | 15.9.05 | 11 | 27.9.05-28.9.05 |
| | 28.9.05 | 15 | 14.10.05 |
| 3170 | 16.9.05 | 11 | 28.9.05 |
| 3167 | 8.9.05 | 17 | 26.9.05 |

b. According to Rule 111.1 of the UNMO SOP, no more than 12 days of leave may be taken at any one time. OIOS' review of MARs for August and September 2005 showed that this rule was not followed:

- 15 days CTO was granted to UNMO 3235 in August 2005
- 13 days CTO to two UNMOs (3166 & 3115) in August 2005
- 15 days CTO to UNMO 3267 in September 2005
- 13 days CTO to two UNMOs (3322 & 3316) in September 2005.

c. According to Rule 111.1 of the UNMO SOP, any CTO accumulated before sick leave is lost and the CTO clock starts afresh after the sick leave. OIOS' review of MARs for July to October 2005 revealed the following:

- UNMO 3260 fell sick on 15 July 2005. However, he was allowed CTO after 12 days on 28 July 2005.
- UNMO 3210 was sick and hospitalized from 1 to 7 August but was allowed CTO from 12 August.
- UNMO 3319 was sick from 1 to 3 September but was allowed CTO from 7 September.

d. According to Rule 111.1 of the UNMO SOP, leave cannot be taken in advance except for special or exceptional circumstances and MSA for the period of advance leave is not payable until the same amount of leave is earned. OIOS noted the following cases of paid advance leave:

- UNMO 3158 took advance leave on 6-7 April 2005 but was paid MSA for the whole month.
- UNMO 3142 took advance leave on 7 January 2005, but was paid MSA for the whole month and this was also not adjusted later.

- UNMO 3117 took advance leave on 27 October 2004 but this was not adjusted against his MSA.
 - UNMO 3150 took two days advance leave on 27 and 28 April but MSA was not deducted.
 - UNMO 3151 took advance leave on 4-5 May 2005 but MSA was not deducted. He had also taken 1 day's excess annual leave.
 - UNMO 3284 took advance leave on 4 September 2005 but MSA was not deducted. Overall, he took one day's excess annual leave and has left the Mission.
- e. Leave may be taken in conjunction with CTO. However, the leave cannot be taken before CTO. OIOS' review of MARs for August 2005 showed that, in two cases (3300 & 3196), annual leave was taken before a CTO.

Recommendation 19

The UNMEE Administration should ensure that the UN rules on the military observers' entitlement to compensatory time-off are strictly enforced and that any excess MSA payments are recovered (AP2005/624/07/19).

44. *The UNMEE Administration partially accepted recommendation 19 and stated that according to the Mission's records, there were no excess payments of MSA related to annual leave and CTO.* Recommendation 19 remains open pending OIOS' review of the documentation based on which the Mission contends that there was no excess payment of MSA related to CTO and annual leave.

Repatriation of unqualified UNMOs

45. UNMOs are supposed to come to the Mission Area fully trained in driving and with a valid driver's license. During the period January 2004 to October 2005, five UNMOs were repatriated due to their failure to pass the driving test. The Mission spent a total of \$17,920 in MSA alone for the entire period the five UNMOs stayed in the Mission Area.

Recommendation 20

The UNMEE Administration should request DPKO to reinforce with the Troop Contributing Countries the requirement that only UNMOs who possess the requisite skills should be selected for deployment to the Mission and that unqualified UNMOs will be repatriated at the TCC's expense (AP2005/624/07/20).

46. *The UNMEE Administration accepted recommendation 20 and stated that this issue has been brought to the attention of DPKO in April 2006.* Based on the action taken by the Mission, recommendation 20 has been closed.

C. Deductions from MSA

47. Deductions from MSA, such as liberty mileage and other claims, are not submitted promptly to Finance Section for processing. For instance, the liberty mileage reports for July 2005 and August 2005 were sent to Finance Section on 16 September and 8 October respectively. Also, other claims such as cases resulting from vehicular accident where Mission personnel were proven to be at fault were not investigated quickly. For example, a vehicle accident on 2 January 2003 involving an UNMO on patrol was investigated by the LPSB two and a half years later, in August 2005, and concluded that no further action could be taken in this case since the concerned UNMO had already left the Mission. It therefore recommended that the total repair costs for the vehicle of \$2,129.34 be absorbed by the Mission.

Recommendation 21

The UNMEE Administration should ensure that claims involving deductions from MSA are processed and submitted to the Finance Section in a timely manner (AP2005/624/07/21).

48. *The UNMEE Administration accepted recommendation 21 and stated that the Transport and General Services Sections will ensure that liberty mileage and other claims are promptly submitted to the Finance Section for processing.* Recommendation 21 remains open pending receipt of documentation from UNMEE showing the specific actions taken by the Mission to ensure timely MSA deductions towards liberty mileage and other charges.

D. Special MSA payments

Background

49. International staff members and UNMOs travelling on official duty to Addis Ababa and staying at specified hotels are entitled to a special MSA rate of \$209 per night and retained accommodation of \$37 per day. Staff staying at the Sheraton hotel have a special discount rate of \$132. For authorizing stays at the Sheraton hotel and the allowance for the special MSA rate, the Chief Administrative Officer certifies the “unavailability of good commercial hotels in the mission”. Due to the variance between the cost of the discounted rate for UN staff in the Sheraton (\$132) and the sum of the MSA and retained accommodation portion amounting to \$246, the unspent allowance (before meals) amounted to \$114 per day. It was therefore financially advantageous for staff members to stay in the Sheraton Hotel rather than in other specified hotels.

50. When the Board of Auditors raised the issue in its 2004 Audit Report on UNMEE, the CAO on 25 May 2005 issued Information Circular No. 05/48 which stated that “from inception of the mission, the budget for in-mission travel has always been exhausted long before the end of the allocation period, a situation that has caused critical audit and Headquarters comment. Largely, this has been due to excessive travel and use of expensive five star hotels with resultant payment of special MSA”. Since security concerns were often cited in requesting such

accommodation, the Security Section identified four hotels in Asmara and three hotels in Addis Ababa which were found to have been satisfactory for the accommodation of UNMEE personnel.

51. Despite the above instruction, there were several cases where special MSA payments continued to be authorized after May 2005. Hence, in 20 October 2005, the CAO issued the Administrative Circular No. 05/37 stating, “Effective immediately, no UNMEE personnel, regardless of rank, would be authorized to stay at the hotels eligible for special MSA rates while on official duty.”

Payments of special MSA

52. The CAO’s 29 August 2003 Information Circular 03/106 states that reimbursement for official travel expenses for Staff Officers and, exceptionally, for contingent members within the Mission Area for accommodation would be a maximum of \$20 per overnight stay in Addis Ababa, Massawa and other locations within the Mission area, where transit accommodation was not available. OIOS’ review of claims pertaining to this type of travel accommodation and entitlement indicated the following cases of non-compliance with the circular which resulted in the overpayment of the special MSA totaling \$8,098.

| ID No. | Hotel | From | To | Submitted for approval on | Should have been paid | Amount actually paid | Excess |
|--------------|----------|---------------|--------------|---------------------------|-----------------------|----------------------|----------------|
| 20017 | Sheraton | 12 September | 14 September | 16 September | \$40 | 418 | \$378 |
| 27332 | Sheraton | 12 September | 14 September | 16 September | 40 | 418 | 378 |
| 22923 | Sheraton | 21 and 24 Sep | | 30 September | 40 | 418 | 378 |
| 23948 | Intercon | 26 July | 28 July | 26 July | 40 | 418 | 378 |
| 24955 | Intercon | 18 May | 20 May | Not mentioned | 40 | 418 | 378 |
| 24955 | Intercon | 8 June | 12 June | Not mentioned | 80 | 836 | 756 |
| 19992 | Sheraton | 28 March | 30 March | 31 March | 40 | 418 | 378 |
| 19992 | Sheraton | 21 February | 25 February | 1 March | 80 | 418 | 756 |
| 19995 | Sheraton | 4 January | 7 January | 10 January | 60 | 627 | 567 |
| 19995 | Sheraton | 2 May | 4 May | 6 May | 40 | 418 | 378 |
| 19995 | Sheraton | 9-10 May | 12-13 May | 16 may | 40 | 418 | 378 |
| 19995 | Sheraton | 20 May | 22 May | 26 May | 40 | 418 | 378 |
| 22906 | Sheraton | 4 January | 7 January | 10 January | 60 | 627 | 567 |
| 20002 | Sheraton | 15 June | 17 June | Not mentioned | 40 | 418 | 378 |
| Total | | | | | | | \$6,426 |

53. The following cases also resulted in MSA overpayment:

| | |
|---|-------|
| <ul style="list-style-type: none"> Two Staff Officers (20017 and 27332) who traveled on non-official duty on 12 September were paid MSA. | \$418 |
| <ul style="list-style-type: none"> A Staff Officer (19995) was on leave to his home country from 29 January 2005 to 22 February 2005. He put a claim, <i>post facto</i>, for special MSA | 1,254 |

| | |
|--|----------------|
| from 25 to 28 January for the period preceding his home leave and again from 22 February to 25 February, the period after his home leave. The MOP clearly indicated that the purpose of the travel was not official but to proceed on leave from and return from leave to Addis Ababa. | |
| Total | \$1,672 |

Recommendation 22

The UNMEE Administration should ensure that instructions regarding the entitlement to and payment of special MSA are strictly enforced. Also, the overpayments identified should be immediately recovered (AP2005/624/07/22).

54. *The UNMEE Administration accepted recommendation 22 and stated that the Office of the CAO approves special MSA payments and strictly adheres to the requirement that special MSA is paid only to the SRSG (or the OIC of the Mission during the SRSG's absence) and one 'close protection' staff. Recommendation 22 remains open pending receipt of documentation from UNMEE showing that the overpayments of special MSA indicated in this report have been recovered.*

V. ACKNOWLEDGEMENT

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

Dagfinn Knutsen, Acting Director
Internal Audit Division-I, OIOS

UNITED NATIONS



OIOS Client Satisfaction Survey

Audit of: Mission Subsistence Allowance payments in UNMEE

(AP2005/624/07)

| | 1 | 2 | 3 | 4 | 5 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| By checking the appropriate box, please rate: | Very Poor | Poor | Satisfactory | Good | Excellent |
| 1. The extent to which the audit addressed your concerns as a manager. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. The audit staff's understanding of your operations and objectives. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Professionalism of the audit staff (demeanour, communication and responsiveness). | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. The quality of the Audit Report in terms of: | | | | | |
| • Accuracy and validity of findings and conclusions; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Clarity and conciseness; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Balance and objectivity; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Timeliness. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. The extent to which the audit recommendations were appropriate and helpful. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. The extent to which the auditors considered your comments. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Your overall satisfaction with the conduct of the audit and its results. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Please add any further comments you may have on the audit process to let us know what we are doing well and what can be improved.

Name: _____ Title: _____ Date: _____

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