



INTERNAL AUDIT DIVISION

AUDIT REPORT

Personnel management - assessment of staff performance in UNOCI

18 January 2008

Assignment No. AP2007/640/03

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INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE

OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTRÔLE INTERNE

TO: Mr. Choi Young-Jin
A: Special Representative of the Secretary-General
United Nations Operation in Côte d'Ivoire

DATE: 18 January 2008

REFERENCE: AUD-7-5:76 (08-00890)

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



SUBJECT: **Assignment No. AP2007/640/03: Audit of personnel management –**
OBJET: **assessment of staff performance in UNOCI**

1. I am pleased to present the report on the above-mentioned audit, which was conducted from March to June 2007.

2. Based on your comments, we are pleased to inform you that we will close recommendation 6 in the OIOS recommendations database as indicated in Annex 1. In order for us to close the remaining recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.

3. Please note that OIOS will report on the progress made to implement its recommendations, particularly those designated as critical (i.e., recommendations 1 and 3), in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Mr. Philip Cooper, Director, DFS
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors
Mr. Jonathan Childerley, Chief, Oversight Support Unit, Department of Management
Mr. Byung-Kun Min, Programme Officer, 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).

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EXECUTIVE SUMMARY

Personnel management - assessment of staff performance in UNOCI

OIOS conducted an audit of personnel management – assessment of staff performance in the United Nations Operation in Cote d'Ivoire (UNOCI) from March to June 2007. The main objectives of the audit were to assess: (a) the effectiveness of the Mission's internal controls over extensions of contracts, separation of staff and United Nations Volunteers (UNVs) and performance appraisals; (b) whether an adequate reporting system on staff member and UNV performance is in place and operates as intended; and (c) whether the Mission maintains complete and current documentation of contract extensions, performance appraisals and separation from service in personnel files. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

Contract extensions for staff members and UNVs were not always supported by a written recommendation from the section chief where the UNV or staff member is assigned or based on relevant performance evaluation for the period prior to the contract extension. There were a few cases where an appointment was not renewed or the contract extension was shortened due to poor staff performance, but the performance appraisal showed that the staff members' rating exceeded expectations.

As of 6 March 2007, 112 electronic performance appraisal (ePAS) reports for the performance cycle from April 2005 to March 2006 were still incomplete. A number of them were not finalized because reporting officers left the Mission without completing them.

UNOCI did not establish a Management Review Committee and Joint Monitoring Committee to adequately monitor the implementation of the performance appraisal system. Also, UNOCI had not developed a Mission work plan to serve as the basis for measuring section and individual work plans.

TABLE OF CONTENTS

Chapter	Paragraphs
I. INTRODUCTION	1 – 4
II. AUDIT OBJECTIVES	5
III. AUDIT SCOPE AND METHODOLOGY	6
IV. AUDIT FINDINGS AND RECOMMENDATIONS	
A. Extensions of Fixed-Term contracts	7 – 16
B. Performance appraisals	17 – 22
C. Joint Monitoring Committee and Management Review Committee	23 – 27
D. Mission work plan	28 – 30
E. Separation from service	31 – 36
V. ACKNOWLEDGEMENT	37
ANNEX 1 – Actions needed to close audit recommendations	

I. INTRODUCTION

1. The Civilian Personnel Section, one of the sections within Administrative Services, is responsible for managing and delivering human resources services in the Mission. These services include, among others, extension of staff members' contracts, ensuring that staff performance is evaluated, and separation of staff. The Civilian Personnel Section consists of 10 international staff, including the Chief Civilian Personnel Officer (CCPO), and 11 national staff. One international post is currently vacant.
2. The United Nations Volunteers (UNVs) Section, which reports to the Chief Administrative Officer, is responsible for the overall management of UNVs. It processes UNV contract extensions and separations from the Mission, and monitors UNVs' performance. It is currently staffed with one international staff, three UNVs and two local staff.
3. As of March 2007, 389 international and 540 local staff members and 225 UNVs were under contract with UNOCI.
4. Comments made by UNOCI are shown in *italics*.

II. AUDIT OBJECTIVES

5. The major objectives of the audit were to assess:
 - (a) The effectiveness of the Mission's internal controls over contract extensions, separation of staff and UNVs and performance appraisals, in compliance with the DPKO Human Resources Handbook and other relevant rules;
 - (b) Whether an adequate reporting system to the Civilian Personnel Section on staff members' and UNVs' performance is in place and is operating as intended; and
 - (c) Whether the Mission maintains complete and current documentation of contract extensions, performance appraisals and separations from service in personnel files.

III. AUDIT SCOPE AND METHODOLOGY

6. The audit focused on the following categories of personnel: international and local civilian personnel, and UNVs. OIOS examined selected year-end performance appraisals for the performance cycles (April to March) ended 2005, 2006 and 2007. We also examined the performance appraisals of UNVs due at the end of each appointment for the period January 2005 to February 2007. Selected cases of contract extensions and separations from service since the Mission's inception in April 2004 to February 2007 were reviewed. OIOS also examined individual personnel files and surveyed staff members and UNVs to analyze the causes of delays in the completion of performance appraisals and
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their overall satisfaction with the performance appraisal system. Structured interviews with key personnel and analytical tests were also conducted.

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Extension of contracts

Recommendation for extension of staff members' appointments

7. According to the DPKO Human Resources Handbook, extension of appointments should be based on the operational requirements of the mission, the availability of a post, the demonstrated satisfactory conduct, performance and attitude of the staff member and the staff member's concurrence with the extension. Those guidelines specify that the Personnel Section should submit to the head of section to which the staff is assigned a written request to provide a recommendation for extension of appointment/assignment based on the above criteria.

8. The DPKO Human Resources Handbook further indicates that updated performance appraisals are required for extension of appointment, and, if at the time of recommending an extension, the staff member's last appraisal was more than 12 months old, a new performance appraisal report should be prepared.

9. However, OIOS' review of 23 personnel files of international staff members indicated that 6 files did not include recommendations for appointment extension. In addition, OIOS examined 51 recommendations for extension and noted that 28 recommendations were not supported by the current performance appraisal.

Recommendation for extension of UNV contracts

10. UNV contracts are to be extended only if: (a) there is an operational need for continuous service; (b) a post is available; and (c) the UNV's performance, attitude and conduct have been satisfactory. The Mission UNV Support Section requires that a Field Operations Performance Appraisal (FOPA) be completed and transmitted together with a written recommendation for extension from the UNV's section chief to the UNV Support Section.

11. A review of 13 UNV personnel files showed that 7 files did not include recommendations for extension of the contract. Further, 6 of the 14 recommendations for extension were not supported by the current FOPA.

Recommendation 1

(1) The UNOCI Administration should ensure that required documentation, including recommendations for the extension of contracts, current performance appraisals supporting these recommendations, pertaining to the

extension of staff members' and United Nations Volunteers' appointments are completed and kept on file.

12. *The UNOCI Administration accepted recommendation 1 and stated that as per established procedures, a memorandum is sent to section chiefs, recommending the extensions of the contracts of staff members under their supervision. There is a provision on the form for the supervisors to indicate an overall assessment of the staff member's performance. Emphasis is being made that contract extensions are contingent on the completion of ePAS reports. Recommendation 1 remains open pending OIOS' verification that required documentation are completed and kept on staff members and United Nations Volunteers' files.*

Duration of contract extensions

13. Originally, the DPKO Human Resources Handbook indicated that the normal period of extension for mission appointees in special mission was six months. In December 2006, the DPKO Administrative Support Division extended the normal duration of extensions of appointments from 6 months to one year.

14. Of the 23 contract extensions reviewed, 3 cases showed that recommendations to decrease the duration of the extensions due to poor staff performance were inconsistent with the staff members' ePAS rating prior to the extension, which showed that they exceeded performance expectations.

15. In OIOS' view, these cases reflected a lack of transparency in the extension of appointments. The decisions not to renew staff members' contracts or to reduce the duration of their appointments on the basis of concerns regarding the staff member's performance were not consistent with the performance appraisal reports available or were made while the performance appraisal report was still in process.

Recommendation 2

(2) The UNOCI Administration should ensure that decisions regarding appointment extensions and their duration are consistent with staff members' completed performance appraisals.

16. *The UNOCI Administration accepted recommendation 2 and stated that these recommendations are currently being implemented for both international and national staff. All contracts are extended based on a satisfactory performance appraisal. When there is a misconduct and/or well-documented under performance, the contracts are extended on a three-month basis, to give the staff member the opportunity to either improve her/his performance or as a probationary period for disciplinary action. Recommendation 2 remains open pending OIOS' verification that decisions pertaining to appointment extensions and their duration are consistent with staff members' performance appraisal.*

B. Performance appraisals

Incomplete and delayed performance appraisals

17. Staff Rules and Regulations require that periodic performance appraisals be completed to evaluate staff members' efficiency, competence and integrity. For this purpose, peacekeeping missions have been instructed to use the ePAS system since April 2003. Administrative Instruction ST/AI/2002/3 sets out the policies and procedures for conducting performance appraisals.

18. According to UNOCI's ePAS monitoring table as of 6 March 2007, of the 112 incomplete staff members' appraisals for the 1 April 2005 to 31 March 2006 performance cycle, 17 were not finalized because the reporting officers had separated from the Mission without completing the ePAS.

19. In April 2007, the Mission issued an administrative instruction to ensure the timely completion of performance appraisals, requiring first reporting officers to complete the PAS for all staff under their supervision prior to assuming new duties in another department or office or prior to separating from the Mission. Specifically, when a staff member or his or her supervisor is reassigned or transferred from a department or office, or is separated from service, an appraisal shall be made for the period between the beginning of the performance year and the reassignment, transfer or separation, if such period is six months or more. The processing of final entitlements of officials acting as first reporting officers may be delayed until the appraisals for which they are responsible are completed. These requirements should form part of the Personnel Section's check-out procedures which are still to be finalized.

Recommendation 3

(3) The UNOCI Administration should enforce the April 2007 administrative instruction for the timely completion of performance appraisals by revising the staff check-out procedures to require first reporting officers to complete all appraisals before being reassigned or leaving the Mission.

20. *The UNOCI Administration accepted recommendation 3 and stated that the completion of the ePAS is currently part of the check-out procedures. Staff and supervisors are informed in advance that they need to complete the ePAS prior to leaving the Mission. The requirement to complete the ePAS is included on the draft Standard Operating Procedures (SOP) for the Check-in/Check-out Office. Recommendation 3 remains open pending receipt and review of a copy of the draft SOPs for the Check-in/Check-out Office.*

Survey of UNVs and staff members regarding the performance appraisal system

21. From the lists of ePAS due as of March 2007 and FOPAs due as of April 2007, OIOS surveyed 26 staff members and 15 UNVs to identify the causes of delays in completion of their performance appraisals and to assess the overall satisfaction of the UNVs and staff members with the performance appraisal

system. Seventy-three per cent of UNVs and 62 per cent of staff members surveyed responded to the questionnaires. The key results of the survey are discussed below:

(a) UNVs

- Some 28 per cent of UNV respondents said that completion of the FOPA was pending the signature of the UNV's direct supervisor.
- Eighty-two per cent of the respondents were not satisfied with the system used to appraise their performance. The reasons given for their dissatisfaction included: lack of objectivity, time-consuming, generally having no influence on contract renewal, and not reflective of the importance of duties performed.
- Suggestions to improve the process included introducing electronic performance appraisals, obtaining a copy of the FOPAs from the UNV Support Section once they are finalized, introducing more effective coordination between the UNV's section and the UNV Support Section, and designating a specific supervisor at the beginning of the performance cycle.

(b) Staff members

- In 56 per cent of the cases, the ePAS was awaiting the signature of the second reporting officer.
- Fifty-six per cent of the respondents were not satisfied with the system used to appraise their performance. The reasons given for the dissatisfaction included: staff members being "at the mercy of supervisors who wield the threat of a bad evaluation", the system allowing biased appraisals, and some supervisors failing to complete the appraisal. The latter reduces the possibility of staff members applying to new positions in the UN system since the vacancy announcement requires that the latest ePAS be provided along with the application.
- Suggestions to improve the process included earlier discussions between the first reporting officer and the staff member, timely signing of the ePAS by the second reporting officer, the establishment of a clear timeline to complete the process for both the reporting officer and the staff member, ensuring that reporting officers complete the ePAS prior to their separation from the Mission, imposing administrative sanctions on supervisors who do not complete the ePAS, and the intervention by the office of the Secretary-General to emphasize the importance of the ePAS.

22. The results of the surveys conducted indicate that the majority of staff members and UNVs surveyed are not satisfied with the system currently used by the Organization to appraise their performance. This dissatisfaction can have an impact on staff members' and UNVs' morale and performance. The

administrative instruction on the Performance Appraisal System recently issued by the Mission Administration constitutes a remedial action to address delays in completing appraisals. However, it does not address the perceived causes of dissatisfaction pertaining to the fairness and consistency of the appraisal. The establishment of the Management Review Committee and Joint Monitoring Committee discussed in the following section would constitute an adequate control to ensure the fairness and consistency of appraisals.

C. Joint Monitoring Committee and Management Review Committee

23. According to the DPKO Human Resources Handbook, each mission should establish its own Management Review Committee (MRC) and Joint Monitoring Committee (JMC), in accordance with sections 11 and 12 of ST/AI/2002/3, Performance Appraisal System.

24. The MRC should be headed by the Head of Mission (HOM) or Chief Administrative Officer (CAO) who should serve as Chairperson. The HOM or the CAO should appoint two or three other members of the MRC who should normally be senior managers of the Mission. The role of the MRC is to assist the HOM in ensuring that the purpose of the PAS is achieved by providing leadership and guidance on work plans, setting performance standards at the beginning of the performance period, promoting on-going dialogue between staff and supervisors, ensuring consistent and fair performance appraisal and providing input into other managerial issues such as training requirements, or recruitment. The MRC should report annually to the Office of Human Resources Management on the PAS compliance, including the rating distribution.

25. The JMC, on the other hand, is to be composed of two members nominated by the HOM or the CAO, two members nominated by the staff representatives, and a chairperson nominated by the Administration in consultation with the staff. The JMC is to monitor the implementation of the PAS in terms of timeliness, compliance with procedures and overall results. The JMC is supposed to meet at the performance planning stage, immediately after the mid-point review and at the appraisal stage at the end of the performance year, to review statistical information on ePAS implementation, which is to be provided by the CCPO. The JMC should prepare a report on compliance and implementation at each of the stages. The reports on performance planning and the mid-point review should be submitted to the MRC through the HOM or DOA/CAO. The report on appraisals at the end of the performance year should be submitted to the Global Joint Monitoring Committee at UN Headquarters.

26. UNOCI, however, did not establish an MRC and a JMC, and thus lacked the required mechanism to monitor ePAS implementation and compliance.

Recommendation 4

(4) The UNOCI Administration should establish a Management Review Committee and Joint Monitoring Committee, in accordance with sections 11 and 12 of ST/AI/2002/3, Performance Appraisal System.

27. *The UNOCI Administration accepted recommendation 4 and stated that it will ensure that the MRC and JMC are established for the Mission, as per the provisions of ST/AI/2002/3. Recommendation 4 remains open pending receipt of documentation showing the establishment of the Management Review Committee and Joint Monitoring Committee for the Mission.*

D. Mission work plan

28. According to ST/AI/2002/3, the HOM, in consultation with senior managers, should develop a work plan for the mission. Section chiefs or heads of substantive offices should then develop unit work plans aligned with the mission work plan. The unit work plans in turn serve as the basis for developing individual work plans for staff members.

29. UNOCI has not prepared a Mission work plan. The absence of an overall Mission work plan poses a risk concerning the consistency of establishing performance goals throughout the Mission.

Recommendation 5

(5) The UNOCI Management should develop a Mission work plan to serve as the basis for developing section and individual work plans.

30. *The UNOCI Administration accepted recommendation 5 and stated that it has established the Mission work plan, which has been used by both the substantive and administrative components to develop their own work plans. Recommendation 5 remains open pending receipt of a copy of the Mission's work plan for fiscal year 2007-2008.*

E. Separation from service

Resignations

31. According to the DPKO Human Resources Handbook, staff members' resignations are to be made in writing, specifying the effective date of separation. The Organization is to provide written acceptance of the resignation and the agreed effective date. The same requirements apply to resignations of UNVs.

32. OIOS' review of 13 staff resignations (8 for staff members and 5 for UNVs) showed that there was no signed resignation letter specifying the effective date of separation in 5 files. Complete resignation letters from staff members and UNVs constitute the basis for commencing separation procedures.

Recommendation 6

(6) The UNOCI Administration should ensure that resignations of staff members and UNVs are made in writing, specifying the effective date of separation, and are kept on file.

33. *The UNOCI Administration accepted recommendation 6 and stated that this recommendation is currently being implemented. The Administration requires that staff members submit their intention to resign in writing. Furthermore, their resignation letter should be endorsed by their section chiefs. Based on the Mission's response, recommendation 6 has been closed.*

Termination of appointment

34. According to the DPKO Human Resources Handbook, the Secretary-General may terminate appointments if facts prior to the appointment of a staff member and relevant to his suitability come to light that, if known at the time of appointment, would under the standards established in the Charter have precluded the individual from being appointed.

35. In one case, a staff member was initially appointed for six months, but it later emerged that at the time of his recruitment by DPKO, there was a pending criminal case against him in Switzerland. Instead of terminating the staff member's appointment at the time the fact became known, the Mission decided not to renew his contract. The staff member's personnel file did not contain information showing why the Mission chose the latter action rather than immediate termination, sending a strong message that withholding information will not be tolerated.

Recommendation 7

(7) The UNOCI Administration should, in consultation with the Field Personnel Division and/or the Office of Human Resources Management, ensure that for cases involving a staff member's withholding of pertinent information that would materially alter a hiring manager's decision at the time of recruitment, such as a pending criminal case, the subject staff member should be immediately terminated.

36. *The UNOCI Administration accepted recommendation 7 and stated that since its attention was drawn to the subject matter, the Mission has started to closely liaise with the Field Personnel Division, the Office of Human Resources Management and the Conduct and Discipline Team to terminate such staff member, once the allegations regarding the staff member have been substantiated. Recommendation 7 remains open pending receipt of a copy of the final action taken against the subject staff member.*

V. ACKNOWLEDGEMENT

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

STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	C/O ¹	Actions needed to close recommendation	Implementation date ²
1	O	OIOS' verification that required documentation pertaining to employment contract extensions are completed and kept on staff members' and United Nations Volunteers' files	31 December 2007
2	O	OIOS' verification that decisions pertaining to appointment extensions and their duration are consistent with staff members' performance appraisal	31 December 2007
3	O	Submission to OIOS of a copy of the draft Standard Operating Procedures for the Check-in/Check-out Office	Ongoing
4	O	Submission to OIOS of documentation showing the establishment of the Management Review Committee and Joint Monitoring Committee for the Mission	1 December 2007
5	O	Submission to OIOS of a copy of the Mission's work plan for fiscal year 2007-2008	May 2007
6	C	Action completed	Implemented
7	O	Submission to OIOS of a copy of the final action taken against the staff member who withheld pertinent recruitment information	Ongoing

¹ C = closed, O = open

² Date provided by UNOCI in response to recommendations