

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



*Empowered lives.  
Resilient nations.*

**AUDIT**  
**OF**  
**UNDP OFFICE OF HUMAN RESOURCES**

**Report No. 1109**  
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## Report on the audit of UNDP Office of Human Resources Executive Summary

From 19 February to 22 March 2013, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP) conducted an audit of the UNDP Office of Human Resources (OHR). The audit covered the activities of OHR during the period from 1 January 2011 to 31 December 2012. In view of the last OAI audit on Global Payroll, Benefits and Entitlements (Audit Report No. 650, March 2010), the present audit did not cover these areas and focused instead on other human resource activities not covered by the earlier OAI audit. The current audit scope did not include the staff performance assessment mechanisms, temporary appointments or recruitment of United Nations Resident Coordinators. During the period reviewed, the Office recorded expenditures totalling \$166 million.

The audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing. These Standards require that OAI plan and perform the audit to obtain reasonable assurance on the adequacy and effectiveness of the governance, risk management and control processes. The audit includes reviewing and analysing, on a test basis, information that provides the basis for the conclusions and audit results.

### Audit rating

OAI assessed OHR as **partially satisfactory**, which means "Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity." This rating was mainly due to weaknesses relating to: oversight and reporting by OHR; the lack of a human resource strategy; quality of policies on recruitment and separations; duration of fixed-term appointment contracts; and planning, implementation and governance of new information technology systems. Ratings per audit area and sub-areas are summarized below. OHR management indicated that the People Capability Strategy, which was being developed at the time of the audit, will address many weaknesses identified in this audit.

Audit Areas	Not Assessed/ Not Applicable	Unsatisfactory	Partially Satisfactory	Satisfactory
<b>1. Governance</b>				
1.1 Organizational structure and change management		Partially Satisfactory		
1.2 Coordination within the decentralized structure		Unsatisfactory		
<b>2. Strategic management</b>				
<b>3. Policy development and application guidance</b>				
<b>4. Operational HR processes</b>				
4.1 Workforce planning		Unsatisfactory		
4.2 Recruitment		Partially Satisfactory		
4.3 Hiring		Partially Satisfactory		
4.4 Career transition and separation		Partially Satisfactory		
4.5 Learning		Not Assessed		
4.6 Career management		Unsatisfactory		
<b>5. IT tools</b>				

## **Key issues and recommendations**

The audit raised 24 issues and resulted in 22 recommendations, of which 8 (36 percent) were ranked high (critical) priority, meaning "Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP and may affect the organization at the global level."

The high priority recommendations are as follows:

Coordination within the decentralized structure (Issue 4)	<u>Lack of oversight of recruitment practices across the organization.</u> OHR had not carried out central oversight across the organization to check compliance with human resource policies on recruitment. This may lead to inconsistencies and inefficiencies in the management of human resources given the decentralized structure and procedures for recruitment and selection in UNDP. OAI recommends that OHR review and clearly define in detail its role regarding oversight and monitoring of compliance with relevant human resource policies across UNDP. Furthermore, OHR should develop a comprehensive procedure for gathering and analysing relevant oversight and compliance data to enable appropriate follow-up action when required.
(Issue 5)	<u>Inaccurate and insufficient human resource reporting.</u> Reporting on the 2012 Integrated Work Plan did not provide a clear and complete view of the results and achievements. Other reporting done by the Office was ad-hoc based. There was no other regular management reporting on human resource key performance indicators, trends, issues, etc. Insufficient reporting may prevent management from carrying out their responsibilities effectively. OAI recommends that OHR develop and prepare human resource reports on a regular basis, that are timely and that capture analysis, trends and statistics about the UNDP workforce. Furthermore, OHR should ensure that reporting on the results achieved with regard to the Integrated Work Plan is clear, accurate, and consistent.
Strategic management (Issue 7)	<u>Lack of a human resource strategy.</u> The new strategic plan for human resources (called the "People Capability Strategy") was not available at the time of the audit. Finalization of this strategy depends upon the new UNDP corporate strategy which shall be adopted in the third quarter of 2013. OAI recommends that OHR finalize and implement the new People Capability Strategy that includes: (a) strategic goals for human resource management in line with organizational needs; (b) objectives and priorities that are defined in the context of available resources and tools; (c) specific and measurable targets, indicators, and timelines; and (d) clearly defined responsibilities for implementation of formulated objectives.
Policy development and application guidance, recruitment, career transition and separation (Issues 10, 13, 22)	<u>Weaknesses of human resource policies.</u> Other than the Staff Rules and Staff Regulations of the United Nations, human resource policies and procedures issued by OHR are the sole authoritative source of prescriptive instructions for human resources management in UNDP. OAI noted various issues regarding the human resource policies (e.g., they are inconsistent, incomplete and have ambiguous formulations) which reduce their effectiveness and may lead to non-compliance, inefficiency and ineffectiveness. OAI recommends that human resource policies be reviewed in their entirety, updated and consolidated to provide user-friendly, relevant and complete guidance to management and staff.

Recruitment  
(Issue 17)

Potential inadequacies and inefficiencies relating to duration of fixed-term appointment contracts. The duration of contracts was not linked to the duration of the functions of the incumbent and the grade level of staff. Overall, there was no strategy for linking the duration of contracts to the roles and responsibilities of staff, while taking into account efficiency and effectiveness considerations for UNDP as a whole. OAI recommends that OHR, in collaboration with the Office of Financial Resources Management, analyse whether the current approach for determining the duration of fixed-term appointment contracts is effective for achieving the short, medium and long-term UNDP organizational objectives, considering business unit objectives, post requirements and talent management goals. Additionally, OHR should assess the efficiency of the current process relating to determining the duration of fixed-term appointment contracts from an organization-wide perspective.

IT tools  
(Issue 24)

Weak planning and governance of IT project implementation. There was no comprehensive project plan available for the development and implementation of the new systems being developed and implemented to increase efficiency and effectiveness of human resource processes. The Project Board started work only in February 2013 even though the project was initiated in 2011. Existing operational processes were translated into the new system's architecture before fully analysing and exploring necessary process changes for increasing efficiency and effectiveness. Information provided on budget planning and control was insufficient. OAI recommends that OHR closely monitor the progress of the eRecruit and eHire projects and other modules planned and ensure that: (a) the business processes to be automated are comprehensively analysed for an effective, efficient and streamlined design; (b) the missing information in the project plan for the current modules is completed and approved by the Project Board; (c) plans for future elements of the human resource IT-systems are completed before being approved by the Project Board and before starting project implementation; and (d) budget control is exercised effectively.

**Management comments and action plan**

The Director of the Office of Human Resources accepted all 22 recommendations and is in the process of implementing them.



## I. Introduction

From 19 February to 22 March 2013, OAI conducted an audit of OHR. The audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing. These Standards require that OAI plan and perform the audit to obtain reasonable assurance on the adequacy and effectiveness of the governance, risk management and control processes. The audit includes reviewing and analysing, on a test basis, information that provides the basis for the conclusions and audit results.

### Audit scope and objectives

OAI audits assess the adequacy and effectiveness of the governance, risk management and control processes in order to provide reasonable assurance to the Administrator regarding the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets, and compliance with legislative mandates, regulations and rules, policies and procedures. They also aim to assist the management of the Office and other relevant business units in continuously improving governance, risk management and control processes.

Specifically, this audit reviewed the following areas of OHR: governance, strategic management, policy development and application guidance, operational human resources processes, and IT tools. In view of the last OAI audit on Global Payroll, Benefits and Entitlements (Audit Report No. 650, March 2010), the present audit did not cover those areas. The present audit also did not cover the staff performance assessment mechanism, temporary appointments or the recruitment of the United Nations Resident Coordinators. At the time of the audit a project to develop new IT tools was still under development, therefore OAI's review focused on the high level assessment of the project definition and project plan, including the preparation of the project requirements and specifications. The audit team generally conferred with the OHR team in New York except in the assessment of policies and procedures for hiring and separations for which the audit conferred with the Benefits and Entitlements Services Team of OHR in Copenhagen.

The specific audit objectives were to assess:

- progress made on the strategic human resource initiatives as part of the Agenda for Organizational Change, including the Streamlining Recruitment project and People Capabilities strategy and the Learning Resources Centre reform;
- adequacy of the change management mechanism within OHR relating to the implementation of these strategic initiatives;
- adequacy of the analysis conducted on the business processes and staffing policies and related processes; and
- adequacy of the governance, strategic management, planning, monitoring and oversight, reporting, knowledge management, and support mechanisms at the corporate level for staffing and related processes.

In addition, the audit assessed human resource policies and procedures against good practices and benchmarks recommended by the Joint Inspection Unit of the United Nations System in its report titled, 'Staff recruitment in United Nations systems organizations: a comparative analysis and benchmarking framework Overview' (JIU/REP/2012/4).

The audit was complemented by a set of anonymous online staff surveys, covering the two audit areas of recruitment and learning with the aim of identifying process bottlenecks, policy deficiencies and potential areas for improvement. The survey on recruitment was addressed to a sample of staff involved in the recruitment

process as well as a sample of recently recruited staff. The survey on learning was addressed to a sample of learning managers and staff. The key survey results are reported under the corresponding audit areas below.

## **II. About the Office**

OHR units are located in three different locations: New York (USA), Copenhagen (Denmark), and Bangkok (Thailand). At the time of the audit, the total number of OHR staff was 222. OHR was structurally organized into various units including the Directorate, the Operations Unit, the Policy and Compensation Unit, the Organizational Design Unit, the Learning Resources Centre, the Staff Well Being Unit, the Gender and Diversity Unit, the Recruitment Unit, the Business Advisory Services Unit and the Career Transitions Unit. Additional units located in Copenhagen were Global Payroll Services, Junior Professional Officer Service Centre and Benefits and Entitlements Services. Some support functions for learning activities are located in the Regional Center in Bangkok. At the time of the audit, OHR was undergoing structural changes, which according to OHR, would most likely result in one Directorate and three pillars: Integrated Talent Management, Human Resource Management and Operations, and Service Delivery. During the period audited, OHR recorded expenditures totalling \$166 million.

## **III. Detailed assessment**

### **1. Governance**

**Partially Satisfactory**

At the time of the audit, OHR was undergoing significant restructuring. Key posts envisaged in the new structure were not yet or had only recently been filled. OAI held meetings with OHR management and staff to understand the planned structure, key changes foreseen or already implemented and the roles and responsibilities of the new organizational units. While it was too early to draw an overall conclusion on the adequacy and effectiveness of the new organizational structure, the audit identified several opportunities where management could pay particular attention and improve governance. The audit results and recommendations presented herewith are aimed to guide OHR in the ongoing change process and in addressing the specific issues identified by OAI.

Overall, OAI concluded that: (a) job descriptions and delegations of authority were not complete or updated for the existing OHR posts; (b) no corporate action plans had been prepared for addressing the human resources-related issues in the 2011 Ombudsman report and the 2012 UNDP Global Staff Survey; and (c) although OHR did provide guidance on policy implementation in the areas of recruitment, staffing, benefits and entitlements and payroll, its oversight and management reporting needed to be strengthened. To the credit of OHR, OAI noted that the initiatives started were already improving governance in OHR with the creation of new functions and roles (e.g., workforce analytics) in the proposed organizational structure and that some management posts had already been filled with newly recruited staff possessing extensive experience in human resource management.

#### **1.1 Organizational structure and change management**

**Partially Satisfactory**

##### **Issue 1**      Lack of complete and up-to-date job descriptions

According to the Programme and Operations Policies and Procedures, "every position should be supported by an up-to-date job description."

Job descriptions for all 20 D2, D1 and P5 posts within OHR were requested by OAI and assessed in terms of relevance, completeness and compliance with the standard templates and the current organizational structure.

OAI noted the following: (a) two of the job descriptions reviewed were copies of UNDP jobs site/vacancy announcements and not in line with the template; (b) some job descriptions which were prepared in 2008 and 2009 had not been updated since then; and (c) 12 job descriptions did not include a preparation date and referred to old units of an obsolete OHR structure. According to OHR, there is no policy requiring revision of job descriptions on a regular basis. Following the template, the job description should be signed by the incumbent (if applicable), the supervisor and the Chief of the Division/Section. However, four of the job descriptions had been signed only by the Deputy Director of OHR. None had been signed by the incumbent. Eighteen did not specify reporting relationships, whether the post was rotational or non-rotational, or the current, proposed or approved grade level. None specified the names of the persons who classified the posts or who had approved the classification.

The lack of adequate and up-to-date job descriptions may lead to a lack of clarity or confusion regarding individual roles and responsibilities for achieving organizational objectives and it may result in organizational inefficiency and blurred accountability. Further, the criteria for assessing the performance of individual staff may not be clearly defined.

<b>Priority</b>	Medium (Important)
<b>Recommendation 1:</b>	
OHR should improve its human resource management by ensuring that job descriptions are: (a) prepared using the standard UNDP template for all staff; (b) kept up-to-date and reviewed at a minimum on an annual basis; and (c) signed by the incumbent, the supervisor and the Chief of the division/section.	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed Management accepted the recommendation made.	

**Issue 2**      Lack of complete and up-to-date delegations of authority

The UNDP Accountability System (DP/2008/16/Rev.1) provides that one of the guiding principles of accountability in UNDP is the "formal and consistent delegation of authority." This means clearly defined and detailed staff authorities, responsibilities and accountabilities as well as formal delegations where applicable.

OAI examined all delegations of authority available in OHR, and noted the following issues:

- (a) At the time of the fieldwork, delegations of authority were not available for two of the three D1 functions (Chief, Integrated Talent Management and Chief, Human Resource Management and Operations). The delegation given by the Assistant Administrator and Director of the Bureau of Management to the OHR Director listed the sub-delegated authority to the Deputy Director, the Chief of Staff Administrative Services and the Chief of the Learning Resources Centre. However, this did not reflect the revised organizational structure of OHR.

No formal delegation of authority was assigned to individual staff, except for the Operations Advisor. Another was being prepared for the Human Resources Advisor for Recruitment as a back-up for the Operations Advisor for the signing of procurement contracts and approval of transactions in the Atlas Finance module. OHR advised that formal delegations of authority are only provided to staff members who are authorized to approve donor agreements, staff movements, Atlas transactions, grant benefits and entitlements or sign letters of appointment or procurement documents.

- (b) Delegations of authority for human resource functions (e.g., post classification, hiring, emergency salary advances, advanced annual leave, extended assignment grants, waivers of one month break-in-service for re-employment of retired staff) are recorded only in overview tables annexed to the 2005 delegations of authority given by the OHR Director to the Director of Staff Administrative Services, and to the 2003 delegations of authority given by the Assistant Administrator and Director of Bureau of Management to the Chief of Staff Administrative Services in Copenhagen. These tables include delegation details for chiefs, human resource associates and advisors, etc. No formal updates of the tables were provided by the end of the audit fieldwork; however OHR indicated that an update was under preparation.

The lack of clear, complete and up-to-date delegations of authority may lead to unclear lines of responsibility, staff exceeding authority thresholds or not performing their assigned duties, and may give rise to risks including non-compliance, fraud, organizational inefficiency, and a lack of accountability.

<b>Priority</b>	Medium (Important)
<b>Recommendation 2:</b>	
OHR should prepare complete and up-to-date delegations of authority for all relevant functions. These should define the authorities (financial and non-financial) provided to the incumbent and they should be signed by the supervisor and the incumbent.	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed  Management accepted the recommendation made.	

**Issue 3**      Lack of plan to address Global Staff Survey, reports of Ombudsman/Joint Inspection Unit

The human resources-related issues in the report by the Office of the Ombudsman for United Nations Funds and Programmes for 2011 (e.g., unsatisfactory service from OHR staff regarding the interpretation and application of rules and regulations, lack of adequate succession planning, issues relating to staff rotation and time-in-post requirements) had not yet been fully addressed by OHR. OHR explained that these issues together with the issues identified in the 2012 Global Staff Survey (e.g., weak people management skills of supervisors, inefficiencies in business workflows, unfair workload distribution) will be addressed through the People Capability Strategy (OHR's new Strategic Plan for 2014 to 2017).

Further, the Joint Inspection Unit's 2012 benchmarking study of the United Nations system of staff recruitment processes (a comparative analysis and benchmarking framework) resulted in four recommendations for the

participating organizations.<sup>1</sup> Upon receipt of the first draft of the report, OHR carried out a self-assessment and provided feedback to the Joint Inspection Unit claiming compliance with several benchmarks and indicating that UNDP was working towards achieving the rest of the benchmarks. However, OAI noted that no action plan was created for reaching these benchmarks. Further, certain benchmarks assessed by OHR as compliant (e.g. use of rosters/pools of pre-assessed candidates; training for human resources officers, hiring managers and members of interview panels) were noted by OAI as not having been effectively accomplished. The lack of a dedicated plan which includes regular monitoring and follow-up to assess the completeness and effectiveness of the corrective actions taken, may result in un-remediated issues and have an adverse effect on the management and functioning of human resources at UNDP. Because the majority of these issues according to OHR will be addressed through the new strategy, OAI is not raising any recommendations here.

## 1.2 Coordination within the decentralized structure

**Unsatisfactory**

### Issue 4      Lack of oversight of recruitment practices across the organization

The Recruitment and Selection Framework (Section 11.0) specifies the chain of delegations of authority in the context of appointment of UNDP staff members as follows: "OHR retains oversight authority over these policies and their application to the recruitment and selection process."

The audit noted that the Programme and Operations Policies and Procedures did not refer to or further specify details of the OHR oversight role relating to the recruitment of staff and personnel in Country Offices and other Headquarters locations. These policies and procedures are the centralized online resource of UNDP regulations, rules, policies and procedures for use by all UNDP personnel. OHR senior management explained that OHR is responsible for the recruitment of international professional and New York local General Service staff, but for local recruitments outside of New York, the responsibility for recruitment is decentralized. This contradicts the definition of OHR responsibility in the UNDP Recruitment and Selection Framework cited above and requires clarification.

Further, the current fragmented IT systems (refer to section 6 on IT tools) and insufficient reporting (refer to Issue 4) in OHR do not effectively support gathering the information necessary for adequate oversight at the central level.

Numerous human resource issues were noted during Country Office audits undertaken by OAI. For example, in the last three years, there were issues on recruitment, human resource management and structure, service contracts, and learning and training, among others. These issues could have been reduced and possibly avoided, or more effectively addressed through a strengthened central oversight by OHR.

<sup>1</sup> The Joint Inspection Unit recommended that Executive Heads of United Nations system organizations should:

1. be guided by the 15 benchmarks proposed in the report when hiring external candidates to fixed-term positions of one year and more;
2. report periodically to the legislative bodies on the authority delegated for recruitment, the accountability mechanisms set up in relation to such delegated authority, and their results, in line with benchmark 4;
3. reduce the posting time for vacancies to no more than 30 days;
4. continue to pursue initiatives for harmonizing business practices in recruitment and should extend the scope of its activities in this area.

The 15 benchmarks comprise the organization's framework for recruitment, the recruitment process and gender balance and geographical distribution.

OHR management further explained that the Country Office human resource units are not part of OHR, but report to the Country Office management concerned. Further, OHR argues that to oversee and monitor decentralized processes without local manpower requires a capacity that OHR does not have.

Overall, the lack of a central oversight role by OHR may lead to inconsistent or incorrect application of human resource policies, ineffective management of human resources from a strategic and operational point of view (such as workforce planning, allocation of staff, identification of corporate or common issues and risks, mitigation of legal risks).

<b>Priority</b>	High (Critical)
<b>Recommendation 3:</b>	
OHR should review and clearly define in detail its role regarding oversight and monitoring of compliance with relevant human resource policies across UNDP. Furthermore, OHR should develop a comprehensive procedure for gathering and analysing relevant oversight and compliance data to enable appropriate follow-up action when required.	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management accepted the recommendation made.	

**Issue 5**      Inaccurate and insufficient human resource reporting

As a standard framework for good management practices, the Enterprise Risk Management Integrated Framework formulated by the Committee of Sponsoring Organizations of the Treadway Commission requires that "every enterprise identifies and captures a wide range of information, relating to external as well as internal events and activities, relevant to managing its entity." Further, this framework prescribes that pertinent information be "captured and communicated in a form and timeframe that enables people to carry out their responsibilities."

OHR reporting is currently ad-hoc based, i.e., generated upon request of donors, bureaux, etc. With the exception of the annual Integrated Work Plan, there is no regular reporting on, for example, human resources-related key performance indicators, budget consumption, demography, geographical distribution, trends, issues, status of projects, gender, disability, etc., to guide and to assist senior managers in strategic decision making.

OAI reviewed annual reporting by OHR on results achieved with regard to the 2012 Integrated Work Plan and noted that it did not provide a clear and complete view. The reporting on the results was inaccurate in that the majority of key results indicated as 'having been achieved had actually not been completed or had been only partially completed based on the corresponding detailed information provided in the report for the activities. OAI's analysis showed that only 19 percent of the key results could be considered as having been fully achieved, 38 percent were only partially achieved and ongoing at the time of the audit, and the remaining 43 percent were not completed and in most cases had not been started.

Without clear, complete and reliable information in the form of timely and user-relevant reports, management may lack adequate information to support decision making, for managing its activities and for giving an accurate account of its achievements to its stakeholders.

<b>Priority</b>	High (Critical)
<b>Recommendation 4:</b>	
OHR should develop and prepare human resource reports on a regular basis, that are timely and that capture analysis, trends and statistics about the UNDP workforce. Furthermore, Office of Human Resources should ensure that reporting on the results achieved with regard to the Integrated Work Plan is clear, accurate, and consistent.	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed  Management accepted the recommendation made.	

**Issue 6**      Incomplete information on OHR intranet site

OHR aims to provide effective and efficient support to managers and staff members on human resource management. This entails providing guidance, instructions and information.

However, OAI noted that the information on OHR's intranet (e.g., vision, mission, organigramme and HR-related information on policies, instructions, guidance) is not complete, up-to-date or readily available in many cases.

Incomplete, duplicate or outdated information may confuse staff in search of guidance and support, which may ultimately result in non-compliance with rules, policies and procedures as well as inefficiencies in operational processes.

<b>Priority</b>	Medium (Important)
<b>Recommendation 5:</b>	
OHR should ensure that clear, complete and up-to-date policies, procedures and guidance on human resource management are readily available on the intranet for reference and consultation purposes.	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed  Management accepted the recommendation made.	

**2. Strategic management**

**Unsatisfactory**

A new UNDP Strategic Plan for 2014-2017 was in draft form at the time of the audit. OHR's new Strategic Plan for 2014-2017, People Capability Strategy, is dependent on the UNDP-wide strategy which is expected to be

approved by the Executive Board in September 2013. OAI held meetings with OHR management and staff to understand the current status of strategic planning in OHR and the proposed priorities and changes compared to the previous strategic cycle 2008-2011. OAI also reviewed available draft documents including the OHR Integrated Work Plan and the results achieved for 2012.

OAI could not provide an overall conclusion on the People Capability Strategy as it was not finalized at the time of audit. However, OAI noted that some initiatives foreseen by OHR and included in the plan for the previous strategic cycle were integrated into the Agenda for Organizational Change.

**Issue 7**      Lack of human resource strategy

As a standard framework for good management practices, the Enterprise Risk Management Integrated Framework formulated by the Committee of Sponsoring Organizations of the Treadway Commission requires that management set its strategic objectives, formulate its strategy, and establish related operations for the organization. This framework further states, "strategic objectives are high-level goals, aligned with and supporting the entity's mission/vision. Strategic objectives reflect management's choice as to how the entity will seek to create value for its stakeholders." Further, it states that, "in considering alternative ways to achieve its strategic objectives, management identifies risks associated with a range of strategy choices and considers their implications."

By the end of the audit fieldwork, OHR had not formalized a strategy which defined the strategic objectives for human resources that are in line with organizational needs, and had not determined priorities in the context of available resources and tools, indicating specific targets, indicators and timelines and clearly identifying responsibilities for the implementation of the formulated objectives.

The OHR strategy for the period 2008-2011 (Human Resources in UNDP – A People-Centered Strategy 2008-2011) had expired and OAI was informed that the initiatives/strategies outlined therein were never fully implemented by the previous management teams.

OAI noted that several initiatives in the new OHR strategy included those planned but not implemented in the previous strategic cycle (e.g., talent management, workforce planning, succession planning, enhanced use of candidate pools). A formal analysis of the difficulties encountered and lessons learned from the previous strategic cycle has yet to be conducted

The lack of an adequate human resource strategy increases the risk that the organizational objectives may not be achieved.

<b>Priority</b>	High (Critical)
<b>Recommendation 6:</b>	
OHR should finalize and implement the new People Capability Strategy that includes: (a) strategic goals for human resource management in line with organizational needs; (b) objectives and priorities that are defined in the context of available resources and tools; (c) specific and measurable targets, indicators, and timelines; and (d) clearly defined responsibilities for implementation of formulated objectives.	

**Management comments and action plan:**  Agreed  Disagreed

Management accepted the recommendation made. OHR will define the timelines for finalization and implementation.

### 3. Policy development and application guidance

Partially Satisfactory

One of the key roles of OHR is to set policy and support the wider organization with policy interpretation guidance. Given the decentralized structure of UNDP, the advisory role of OHR is of particular significance and critical for ensuring consistency in the way human resource policies are applied across all offices. OAI held meetings with the Policy Unit of OHR to gain an understanding of the process for introducing a new human resource policy, for reviewing and amending an existing policy and for providing policy support to different offices across the organization. OAI also reviewed the documentation provided by the Policy Unit, including the policy review and approval process as well as the plan for upcoming policy reviews.

Overall, OAI concluded that the current policy review and approval process was time-consuming and did not enable the Policy Unit to efficiently review and update a large number of outdated human resource policies or to introduce new policies. Even though there was a basic plan for reviewing existing policies, this did not prescribe a detailed timeline and did not appear to account for interconnections between different policies. Further, the approach to providing support to different offices was not organized efficiently as it still relied on individual e-mails from staff to members of the Policy Unit.

#### Issue 8 Inadequate policy development processes

The Programme and Operations Policies and Procedures are the centralized online resource of UNDP regulations, rules, policies and procedures for use by all UNDP personnel. These are dynamic documents and incorporate updates on a periodic basis to align with the organization's changing business processes and needs.

OAI noted the following issues:

- (a) The existing process for approval of new policies and for amending existing policies irrespective of the type or extent of the update, based on the protocol flowchart titled Business Process for Development of HR Policies, was complicated and time-consuming due to the involvement of several actors in an iterative process, including the need for approval in all cases by the Organizational Performance Group. The Policy Unit of OHR indicated that a revision and update of a policy can take several months.
- (b) The policy tracker spreadsheet used by the Policy Unit of OHR to plan the update and approval of new policies or amendments to existing policies did not include timeframes for a number of policy changes (especially in 2013 Q2 and Q3) or information on the current status or next steps. It did not consider interconnections between different policies that may require corresponding policy updates.

OAI noted that the Bureau of Management initiated a project for enhancing the Programme and Operations Policies and Procedures. The Project Initiation Document (dated 25 February 2013) generally referred to issues in the clearance process for updating existing policies or introducing new policies which can be lengthy, particularly for minor updates. It stated that the "process may need review to provide more responsibility for updating content to content owners" and made suggestions for improving the review processes.

Overall, inefficient and ineffective processes for development and clearance of policies may result in policies not being adapted in a timely manner to the organizational objectives, business processes and needs. Inadequate

tools for monitoring and following-up on policy updates may result in delays in introducing new policies or updating existing policies. Additionally, it may result in inconsistent/conflicting policies where interconnections between policies are not considered and related policies are updated independently.

<b>Priority</b>	Medium (Important)
<b>Recommendation 7:</b>	
OHR should develop a clearer timeline for updating existing policies and introducing new policies. Additionally, OHR should:	
<ul style="list-style-type: none"><li>(a) consider interconnections between different policies/policy updates to avoid inconsistencies or conflicting statements across human resource policies; and</li><li>(b) review, in consultation with the Bureau of Management, the existing policy approval process in order to reduce the time involved in applying minor updates or amendments to existing policies.</li></ul>	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management accepted the recommendation made.	

**Issue 9**      Inadequate monitoring of recruitment and selection

The OHR Policy Unit is in charge of coordinating policy development and providing guidance and support to UNDP offices and bureaux. OAI noted that the Policy Unit's staffing and skill set has recently increased to help address earlier capacity issues. The Unit is now comprised of five staff members, including the Chief.

- (a) The Policy Unit claimed that it does not have a mandate to check compliance by offices with recruitment and selection policies and procedures. However, it carried out checks and controls and provided support and policy interpretation guidance upon request. This approach does not allow assurance of compliance with the UNDP Recruitment and Selection Framework, which states that the "delegated authority [given to OHR] requires that all recruitment and selections are made in accordance with the applicable UNDP recruitment policies and Staff Rules and Regulations" (refer also to Issue 4).
- (b) The Policy Unit further indicated that it ran, albeit on an ad hoc basis, Atlas reports for monitoring and evaluating how certain policies are implemented in practice (e.g., duration of and entitlements for temporary appointments and their functions as well as duration of stay in Country Offices, number of service contract holders in Country Offices and their roles and responsibilities). According to the Policy Unit these checks were done to, for example, get a sense of the use of different contract types (refer to Issue 13). OAI also noted that human resource policy-related queries were usually routed directly to staff members of the Policy Unit rather than to a central repository in OHR. Additionally, queries often bypassed local HR focal points and were sent directly to the OHR staff in New York.

These issues may expose the organization to risks of non-compliance with policies and procedures and as a consequence, result in inefficient and ineffective operations. Response time to queries and issues may increase and the Policy Unit may fail to identify similar or duplicate queries and not be able to effectively monitor responses or to ensure consistency of responses.

<b>Priority</b>	Medium (Important)
<b>Recommendation 8:</b>	
OHR should strengthen monitoring over the application of human resource policies and procedures and ensure timely and consistent guidance by: <ul style="list-style-type: none"><li>(a) establishing a tracking system to capture policy-related queries;</li><li>(b) reviewing the role of local human resource focal points in assisting staff members with policy-related queries; and</li><li>(c) implementing a comprehensive system for logging all questions received and the responses provided.</li></ul>	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management accepted the recommendation made. However, OHR believes that queries by themselves are not helpful and as they are made in the form of walk-ins, telephone calls, emails, meetings, and formal correspondence, this would be unnecessarily voluminous to track. OHR suggests tracking exceptional requests instead as this would be more instructive and less burdensome to track.	

**Issue 10**      Inadequate presentation of and access to human resource policies

OAI reviewed a set of human resource policies contained in the Programme and Operations Policies and Procedures and noted the following issues:

- (a) Existing policy documents listed in the Programme and Operations Policies and Procedures section of the OHR intranet ([https://intranet.undp.org/unit/bom/ohr\\_HR\\_POPP/SitePages/Home.aspx](https://intranet.undp.org/unit/bom/ohr_HR_POPP/SitePages/Home.aspx)) are inconsistent in their presentation, sign-off on the policy document, policy date and review due date, version control, and indication of amendments made in the revised version. This may result in confusion among readers and even in the inability of OHR to review existing policies when required.
- (b) Various inter-related human resource policies (e.g., relating to different types of recruitment) lack integration and gave the impression of 'stand-alone' documents without clear reference and scope definition. This may result in inconsistent and inadequate guidance to human resource professionals and other staff with a human resource function and consequently, non-compliance with relevant requirements.
- (c) Key human resource policies are only available in English. Given the decentralized structure of UNDP, this may inconvenience staff whose first language is not English and result in the misapplication of policy (e.g., recruitment of local staff).
- (d) Statements were ambiguous in many cases. For example, it was not clear whether or not requirements were mandatory. This may lead to inconsistent interpretation and application of rules or inefficient or non-compliant procedures.
- (e) Some human resource policies could be accessed through different paths or on different intranet sites and in different formats. This may confuse the user/reader and complicate the process of ensuring the consistent update of policies.

OAI noted that the general concerns being addressed by the enhancement project on Programmes and Operations Policies and Procedures initiated by the Bureau of Management, mentioned earlier, confirmed the

observations of OAI. Inadequacies and inconsistencies in the presentation of policies raises the risk of misinterpretation and misapplication of the requirements resulting in non-compliance with rules and regulations, inefficiencies in procedures and confusion among staff.

<b>Priority</b>	High (Critical)
<b>Recommendation 9:</b>	
OHR should ensure that all new and updated policy documents follow a standard format and layout. At a minimum, this should include information on, the effective date of the policy, version control, review due date, policy owner and a sign-off by an authorized member of management. Additionally, OHR should ensure that human resource policies are:	
<ul style="list-style-type: none"><li>(a) consolidated to improve their clarity and to facilitate maintenance of policy versions and intranet links and overall applicability;</li><li>(b) adequately referenced and provide links to related policies;</li><li>(c) translated into other UNDP working languages (French and Spanish);</li><li>(d) reviewed systematically and thoroughly with particular attention to avoiding misleading, unclear and ambiguous wording and formulation; and</li><li>(e) accessed only through the Programme and Operations Policies and Procedures path on the UNDP intranet.</li></ul>	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management accepted the recommendation made.	

<b>4. Operational HR processes</b>	<b>Partially Satisfactory</b>
<b>4.1 Workforce planning</b>	<b>Unsatisfactory</b>

Inability to strategically allocate human resources is among the strategic risks escalated to the corporate level at UNDP. Effective workforce planning helps the organization meet its strategic objectives by ensuring that an appropriate number of staff with the correct skill sets are available in the medium and long-term. OAI held meetings with OHR management to establish which workforce planning activities were being undertaken, including how future workforce requirements were forecasted, how relevant skills and roles were identified and how workforce plans linked to the UNDP strategic objectives. In addition, OAI reviewed relevant documentation and performed testing to assess the effectiveness of the use of candidate pools for rotational posts.

**Issue 11**      Lack of workforce planning

The 'Selection and Reassignment Policy for International Rotational Posts'(1 October 2010) states that "in the fourth quarter of each year, the Director, OHR will make a forecast within the context of the UNDP Strategic Plan of the staffing needs of UNDP (the "demand forecast"). This forecast will consider corporate staffing requirements in the near-term (12-18 months) and over the longer term (4-5 years)".

However, OAI noted that there was no centrally-managed process involving OHR for planning the workforce requirements of UNDP, including succession planning. Additionally, there was no guidance provided for offices in strategically planning their workforce requirements in the medium and long-term. OHR did run Atlas workforce reports regarding diversity or gender statistics for particular Country Offices, but only on an ad hoc, reactive basis and not as part of a regular and comprehensive workforce planning process.

Without a comprehensive approach to workforce and succession planning, UNDP may not be able to effectively assign the appropriate individual to the correct posts, at the appropriate time, in order to meet its strategic objectives.

<b>Priority</b>	Medium (Important)
<b>Recommendation 10:</b>	
OHR should develop and implement a mechanism for strategic workforce and succession planning, which includes formulating policy and providing guidance to ensure that the organization's future staffing requirements are met and that key roles are filled in a timely manner to support the achievement of organizational objectives. The policy should clearly set out the roles of OHR as well as the hiring units and include requirements for regular progress monitoring and reporting.	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed  Management accepted the recommendation made.	

**Issue 12**      Weaknesses in managing candidate pools

The Selection and Reassignment Policy for International Rotational Posts stipulates "a Candidate Pool is a qualified, pre-assessed and evaluated, pre-endorsed group of candidates suitable to perform the functions of a substantially similar set of rotational posts in a given job family."

OHR maintains a list of candidate pool members. All serving Deputy Resident Representatives/Deputy Country Directors/Country Directors are automatically members of the pool. Additional members are identified through candidate pool assessments. During the audit, OHR provided OAI with a list (approximately 350 names), with the members' expected contract end dates. No further information was provided. It was noted that the assessments for inclusion in the candidate pools had taken place four times during the audit period, in May and October of 2011 and 2012.

OAI noted that:

- (a) There was no effective process for reassessing the skills of the individuals in candidate pools.
- (b) The objective of creating the candidate pools was "moving away from advertising individual posts" and making use of candidates registered in pools. It was envisaged that over time, these pools could be developed, including for positions in Headquarters and other functions, such as administration. To date, however, this has not occurred. Pre-screened candidates from the pools could have reduced the processing time for recruitment and selection if both the pools and the selection processes were administered properly. Due to the absence of pools for other functions, OAI noted that even satisfactorily performing staff members were required to go through various testing (technical and

writing) processes, along with other new candidates, each time they applied to a new post, even if the new post was at the same grade level, or if the job requirements were similar to positions previously occupied by the staff member. This leads to administrative inefficiency and the impact can be significant at the corporate level.

According to OHR, the candidate pool concept in 2011 and 2012 was in a pilot phase. Feedback from all Bureaux which assessed the pilot phase was very positive and it was recommended that the candidate pool concept be continued.

Candidate pools that are not regularly reviewed or assessed and are not complete are not productive and effective and cannot help make the selection process become more efficient.

<b>Priority</b>	Medium (Important)
<b>Recommendation 11:</b>	
OHR should improve the procedures for reviewing and assessing candidates included in existing pools, by defining the maximum length of time a successfully assessed candidate can remain in the pool without being selected for a post. Office of Human Resources should also develop pools for administrative and Headquarters functions.	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed  Management accepted the recommendation made.	

#### 4.2 Recruitment

**Partially Satisfactory**

An effective recruitment process is critical to ensure that UNDP is able to employ the appropriate people with the correct skills on a timely basis in order to meet its strategic objectives. OAI held meetings with OHR management to understand the driving factors behind the organization's recruitment processes as well as the key steps involved. OAI obtained relevant documentation from OHR and reviewed existing policies and procedures, and performed detailed testing of randomly selected new recruitments to assess whether the processes followed were in compliance with the Staff Rules and Staff Regulations of the United Nations and corresponding UNDP policies and procedures. The sample testing also assessed the timeliness of the recruitment process. OAI also conducted a survey on recruitment practices, which was sent to selected staff members across UNDP.

Overall, OAI concluded that the existing recruitment policies were inconsistent with each other in some aspects and did not always reflect updated UNDP and United Nations-wide requirements. Additionally, the sample testing identified a number of instances of non-compliance with policies and procedures and an inefficient, time consuming, and largely manual recruitment process. At the time of the audit, OHR was in the process of developing an online recruitment system (eRecruit) which would address some of the control weaknesses and delays in the existing recruitment process.

OAI noted that the UNDP Selection and Recruitment Framework and recruitment policies only provide limited guidelines and corporate requirements on the timeliness of the recruitment process (as an example, the minimum time a vacancy for a fixed-term appointment shall be posted is one week). According to OHR, the

streamlining exercise undertaken in 2011 achieved a reduction in the average recruitment time from 139 days to an average of 96 days. However, OAI noted that for more than 42 percent of the recruitments after the streamlining exercise, the elapsed time exceeded 100 days. In the sample testing performed by OAI, the average recruitment time (from the vacancy posting to the date of Compliance Review Board submission) was four months, i.e., approximately 120 days. No further analysis on the timeliness of recruitment was performed as there were no agreed targets for recruitment timing and additionally the process was due to change with the introduction of IT systems. OHR expected that these will significantly reduce the time elapsed in the recruitment process and allow better monitoring of agreed timelines and targets.

**Issue 13**      Weaknesses of recruitment policies and procedures

UNDP policies for recruitment and selection of staff are defined in the UNDP Recruitment and Selection Framework (November 2011) and in supplementary policies, including the Selection and Reassignment Policy for International Rotational Posts (October 2010), Recruitment and Selection for Local FTAs and International FTA Posts not Covered by Candidate Pools (November 2011), Recruitment Guide (Dec 2010).

The following issues were noted:

- (a) Recruitment and selection policies and procedures were not fully up-to-date, often lacked clarity and did not offer comprehensive guidance on the full spectrum of recruitment and hiring activities performed at UNDP.
- (b) Recruitment and selection policies allowed many exceptions that contradicted and hampered compliance with the guiding principles for recruitment and selection as defined in the UNDP Recruitment and Selection Framework, in particular the principles of 'competition' and 'transparency' (e.g. "all FTA posts will normally be advertised first internally, unless a solid business case can be made..."; "OHR may elect to accept late applications"; "the reasons for screening in or out of a given application ..."; "the application from rostered candidates may be submitted after the closing date for applications"; etc.).
- (c) Often the formulation of the requirements was ambiguous or unclear and in many cases did not clearly indicate whether or not a requirement is mandatory, for instance by using the term 'should'. Further, the recruitment policies (Selection and Reassignment Policy for International Rotational Posts, Recruitment and Selection for Local FTAs and International FTA Posts not Covered by Candidate Pools, Recruitment Guide) overlap and repeat information which was already provided in the UNDP Recruitment and Selection Framework. The definition and use of terms regarding recruitment processes (such as appointment, reappointment, assignment, reassignment, strategic placement, reinstatement, reemployment) as set out in the UNDP policies and procedures were unclear and did not fully correspond to the definitions in the Staff Rules and Staff Regulations of the United Nations. This may lead to incorrect and inconsistent interpretation and implementation of requirements. For example when the Staff Rules and Staff Regulations of the United Nations refer to an "appointment" it is not clear whether this specific term only applies to initial appointments or to other cases such as, reappointments, reassessments, and strategic placements. Also, the policy on candidate pools refers to assignments and reassessments without providing a definition for either. Further confusion may be created, as the Internal Control Framework (p. 37) states that "In Atlas recruitment is referred to as 'hire'" which contradicts the definitions provided by OHR.

Outdated and inconsistent guidance on required recruitment and selection practices may result in non-compliance with Staff Rules and Staff Regulations of the United Nations and inefficiencies and ineffectiveness in the way the recruitment and selection processes are conducted.

<b>Priority</b>	High (Critical)
<b>Recommendation 12:</b>	
OHR should review all documents on recruitment policies and procedures in their entirety and:  (a) update and consolidate them and institute periodic reviews thereof; (b) remove exceptions from standard procedures which may lead to a breach of the guiding principles of recruitment and selection as defined in the UNDP Recruitment and Selection Framework; and (c) ensure that the formulation is understandable and unambiguous, using terms that are clearly defined and used consistently throughout all policy documents.	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed  Management accepted the recommendation made.	

**Issue 14**      Lack of policy and insufficient guidelines for use of different contract types

United Nations Staff Regulation 4.5 refers to three types of appointments: temporary, fixed-term and continuing.

In UNDP, detailed guidelines for temporary appointments are available in the UNDP Temporary Appointment Guidelines, which include a specification of the purpose of temporary posts, budgetary requirements and procedural instructions for establishing, recruiting and administering temporary posts. The provisions of the guideline are consistent with the Staff Rule 4.12. However, during the testing performed for the selected sample of recruitment cases, OAI noted that in some cases the type of contract provided to staff did not necessarily correspond to their functions and responsibilities (e.g., a temporary appointment contract for a human resource specialist assigned to a project management role for the implementation of the IT system eRecruit was awarded in April of 2012 with an extended contract expiration date of 30 July 2013, which was before the end of the project).

As for fixed-term appointments, the UNDP Recruitment and Selection Framework and the related policies and procedures for recruitment of fixed-term appointments (including the Selection and Reassignment Policy for International Rotational Posts, Recruitment and Selection for Local FTAs and International FTA Posts not Covered by Candidate Pools) are available for use; however, these do not provide a clear definition of the purposes of these appointments.

Concerning the continuing appointment, in line with General Assembly Resolution A/RES/63/250 dated 10 February 2009, and as part of the one-time review for continuing appointments carried out in 2009, it was noted that UNDP granted a number of continuing appointments based on length of existing services and past performance assessments. This was not fully based on current and projected organizational programmatic and operational requirements, and might have resulted in corporate level risks of carrying continuing appointment holders whose knowledge and skills may not be fully aligned to the emerging organizational requirements, such as International Public Sector Accounting Standards (IPSAS).

Overall, OAI did not identify a policy and sufficient guidelines for recruitment of staff with the correct contract type.

In this context, OAI noted that the High Level Committee on Management Strategic Plan 2013–2016 included in its strategic priority with regard to ‘attracting and retaining talent’ the requirement to answer the question “what and how many types of employment contracts should be utilized.”

Lack of policy and insufficient guidelines concerning the use of different contract types may result in a misalignment of staffing with organizational objectives and budgetary constraints and may impede the efficient and effective achievement of objectives. Furthermore, attraction and retention of talent, workforce planning, succession planning, career development and knowledge management may be negatively affected if the types of contracts awarded are not aligned with the business requirements and organizational objectives.

<b>Priority</b>	Medium (Important)
<b>Recommendation 13:</b>	
OHR should develop policy and guidelines that define the purposes and use of different types of contracts.	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management accepted the recommendation made.	

**Issue 15**      Unclear policies for minimum time-in post requirements

The UNDP rank-in-post policy defines a “system by which staff are graded and paid for their expected contribution.” The policy also specifies minimum time-in-post requirements, i.e. the time staff are expected to remain in a post before becoming eligible to apply for other posts. The UNDP Recruitment and Selection Framework provide further requirements in this context.

The UNDP rank-in-post policy has not been updated since 2009 and contains exceptions to policy requirements, particularly regarding minimum time-in-post. Specifically, it included shorter time-in-post requirements for lateral moves within the same duty station, “on a case-by-case basis, when the staff member is requested to move in the interest of the Organization” or “at the request of the staff member invoking personal compelling reasons”. These generic exceptions contradicted the purpose of the policy and made any efforts to monitor compliance or perform any analysis problematic.

Of the eight reassigned staff members checked as part of the audit sample, five did not appear to meet the three-year minimum time-in-post requirement. Due to the large number of exceptions in the policy (including waivers in which staff had provided compelling reasons), it was not possible to fully assess whether all five cases were in compliance with the policy.

It was also noted that there was no monitoring of compliance with the time-in-post requirements (or formal exceptions or waivers) by OHR.

Policies with many exceptions and inconsistencies may hinder efficient and effective management of staff.

<b>Priority</b>	Medium (Important)
<b>Recommendation 14:</b>	
OHR should review the existing time-in-post policy to assess its relevance.	

**Management comments and action plan:**  Agreed  Disagreed

Management accepted the recommendation made.

**Issue 16**      Weaknesses in managing rosters

According to the UNDP Recruitment and Selection Framework “while competitive selection process...is the standard selection process within UNDP [...] there are five mechanisms where the selection process may differ from the standard.” One of these mechanisms is the selection of staff from rosters. The rules for establishing and managing rosters are included in the Recruitment and Selection for local FTAs and International FTA Posts not Covered by Candidate Pools and the UNDP Interim Roster Rules of Procedure.

OAI noted the following:

- (a) Policies and procedures for managing rosters were insufficient and ineffectively applied. There was no process to remove candidates from rosters after a set amount of time<sup>2</sup>. The OAI review of the current interim roster maintained by OHR identified duplicates and entries which were not removed after the defined expiry time of two years.
- (b) According to the UNDP Policy on Recruitment and Selection for Local FTAs and International FTA Posts not Covered by Candidate Pools, “Hiring Units may elect to create rosters of candidates [...] procedures must be established to describe its use and maintenance”. Further, according to the policy, “the Hiring Unit is responsible for maintaining the roster”. However, the current policies did not specify any minimum requirements for the use and maintenance of rosters held by hiring units.
- (c) According to the UNDP Interim Roster Rules of Procedure, new comprehensive IT systems are being developed which shall facilitate the establishment of various rosters. However, OAI did not receive any information to show that the development of rosters is being actively pursued in the ongoing development and rollout of the new IT systems.

According to OHR, rosters were only supposed to be an interim solution. Parts have already been replaced by successful succession planning tools. However, this was not reflected in the policy on Recruitment and Selection for Local FTAs and International FTA Posts not Covered by Candidate Pools from 1 November 2011 and the Project Initiation Document for the new human resource IT-tools eRecruit and eHire, which defines as project outcomes ‘UNDP Roster Management’.

Overall, the rosters could be an effective instrument to further improve recruitment efficiency and to streamline processes. Without an effective roster mechanism, UNDP may encounter significant delays and inefficiency in

<sup>2</sup> According to the UNDP Policy on Recruitment and Selection for Local FTAs and International FTA Posts not covered by Candidate Pools, a “roster is a list of pre-screened or pre-assessed candidates who have applied for a similar post over the past twenty-four months...”.

identifying suitably skilled and experienced candidates for filling vacant posts, as each and every time, the efforts for searching, solicitation, long-listing of candidates need to be repeated for similar vacancies throughout the organization.

<b>Priority</b>	Medium (Important)
<b>Recommendation 15:</b>	
OHR should further develop the roster mechanism for recruitment. Furthermore, Office of Human Resources should make sure that the rosters are updated, and that the rosters are supported by the new IT systems.	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed  Management accepted the recommendation made.	

**Issue 17**      Potential inadequacies and inefficiencies relating to duration of fixed-term appointment contracts

United Nations Staff Rule 4.13 states that “fixed-term appointments may be granted for a period of one year or more, up to five years at a time.” Further, it adds “a fixed-term appointment may be renewed for a period up to five years.”

In the past, fixed-term appointment contracts were granted for one year at a time for staff charged to non-core funded positions and two years for staff charged to core funded positions. The OAI analysis of all new fixed-term appointment contracts in 2011 and 2012 showed that there does not seem to be a link between the duration of appointments and the duration of the functions of the incumbent. For example, the strategic planning cycle of UNDP is three years, however, appointment contracts are issued for either one or two years.

Overall, there was no documented strategy for linking the duration of staff contracts to their functions and responsibilities, taking into account efficiency and effectiveness considerations for UNDP as a whole.

The Bureau of Management explained that key considerations for contracts duration include, *inter alia*, source of funding and budgetary concerns. The Bureau also advised that a new practice was introduced in September 2012 by which fixed-term appointments will normally be given for a two-year period unless other considerations dictate a shorter duration. This new practice applies to new contracts as well as to extensions of existing contracts. In addition, the Executive Board is expected to approve, during its September 2013 session, the integrated budget approach which will introduce the possibility for positions at P-5 level and lower to be funded from more than one source. This new multiple funding feature is likely to give room for more flexibility in setting the duration of a fixed-term contract.

Short contract durations or fragmented appointments might limit the possibility of attracting and retaining suitable and highly qualified candidates and talent. This may also negatively affect UNDP knowledge retention capability. In addition, effective workforce and succession planning may suffer. Further, fixed-term appointment contracts with shorter duration may cause higher organizational costs due to a higher frequency of administrative procedures for renewing contracts.

<b>Priority</b>	High (Critical)
<b>Recommendation 16:</b>	
OHR, in collaboration with the Office of Financial Resources Management, should analyse whether the current approach for determining the duration of fixed-term appointment contracts is effective for achieving the short, medium and long-term UNDP organizational objectives, considering business unit objectives, post requirements and talent management goals. Additionally, OHR should assess the efficiency of the current process relating to determining the duration of fixed-term appointment contracts from an organization-wide perspective.	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed  Management accepted the recommendation made.	

**Issue 18**      Weaknesses in internal control procedures for recruitment and selection of staff

OAI randomly selected a sample of 50 staff contracts, international and New York local fixed-term appointments for 2011 and 2012, for detailed testing. Records were available in Atlas for initial appointment, reassignment, and reappointment. Additionally, OAI obtained from OHR manually created 2011 and 2012 records of: (a) staff selected for candidate pools; and (b) strategic placement, and randomly selected samples of these two categories. OAI noted that there was no relevant category/flag in Atlas for these two categories.

Recruitment records for international fixed-term appointment posts as well as New York Headquarters local staff are to be maintained in the UNDP jobs site. All documentation from the start to the end of the process, including the submission to the Candidate Review Board/Candidate Review Panel is required to be kept in this system.

It was noted that full records in the jobs site system were not available in all cases. The results of the OAI sample testing are summarized below.

Generally, record keeping was inadequate:

- (a) Recruitment records were incomplete in all 50 instances. Absence of relevant records made it impossible to demonstrate compliance with the Staff Rules and Staff Regulations of the United Nations as well as relevant UNDP policies (UNDP Recruitment and Selection Framework, Selection and Reassignment Policy for International Rotational Posts, Recruitment and Selection for Local FTAs and International FTA Posts not Covered by Candidate Pools). Further, UNDP jobs site records for selected staff members could only be identified by OHR via a manual search of Compliance Review Board lists or OHR communication with the relevant hiring unit as the systems functionality could not provide search results based on the candidate's name (i.e. the unique record identifier was the vacancy number which had to be retrieved from the Compliance Review Board lists). Unidentifiable or missing recruitment records may result in UNDP failing to demonstrate compliance with relevant recruitment regulations, rules and policies.
- (b) The UNDP Recruitment and Selection Framework states that "the recruitment and selection criteria and all phases of recruitment process will be transparent to staff and candidates to the fullest extent possible." There was inconsistency in the way shortlisting and long-listing analysis and decisions were documented. Results were recorded via the relevant functionality of the UNDP jobs site, through custom spreadsheets or Word documents, some of which were dated and signed by the person(s) performing the short/long-listing whereas others were not. This may impact on the clarity and transparency of the information recorded and

certain formats may not show how the corresponding shortlisting or long-listing decision was made, resulting in reservations about the objectivity of the process.

- (c) Interview/assessment panel roles as set out in the Recruitment Guide (i.e. hiring manager or their representative, HR professional or associate and two staff members from outside the hiring unit) were not clearly documented on relevant interview reports (in some instances with no job titles or bureau information provided) and it was therefore not possible to assess compliance with interview panel composition requirements. This may result in the panel not having the required experience, skills and independence to successfully assess candidates.
- (d) Staff information and categorization in Atlas was not aligned with relevant policies (e.g. there were staff movements classified as 'Promotions' in Atlas (even though the Rank-in-Post Policy, section 2.10 states that "since, under Rank-in-post, there is no promotion decision, only a selection decision, there is no longer any provision for promotion recourse") and did not provide flags for staff categories that were recruited or placed through the candidate pool or strategic placement routes. This may result in incorrect staff classification and analysis of recruitment data that is not based on existing rules, regulations and policies.

Other findings were:

- (e) The Recruitment and Selection for Local FTAs and International FTA Posts not Covered by Candidate Pools, states that "once an FTA post has been classified, budgeted and designated rotational or non-rotational, the strategy, criteria and techniques for recruitment and selection for the post must be determined prior to initiating the recruitment and selection process." Further, the policy states that "the recruitment and selection criteria and all phases of recruitment process will be transparent to staff and candidates to the fullest extent possible." However, OAI noted that out of 32 relevant cases (of the 50 sample cases):
  - o in 20 cases, the recruitment strategy and methodology were not documented before the vacancy announcement was placed;
  - o in 19 cases, the assessment criteria used for the candidate assessment and selection were not documented before the vacancy announcement was placed;
  - o in all cases sampled, it was not clear who performed the shortlisting and long-listing for the sample of candidates reviewed;
  - o in 7 cases, there was no documented evidence of the shortlisting and long-listing decision; and
  - o in 6 cases, the interview report did not show any evidence of an HR professional/associate sitting on the interview panel, as per the requirements of the UNDP Recruitment and Selection Guide.
- (f) The Recruitment Guide states that "there are three criteria that are considered to be essential: minimum academic level; minimum years of professional experience and minimum language requirements. The essential criteria serve as the basis for long-listing." Further, the Minimum Academic and Relevant Work Experience Requirements for Recruiting Staff in UNDP (Including Step Determination) document, paragraph 28, states that "if an academic degree was obtained from an institution that is not in the UNESCO list, the candidates, including internal candidates are obliged to provide supporting evidence that the degree is legitimate. Hiring managers or staff members may request a review by the Director, OHR, who will confirm, explicitly and in writing, whether the degree is recognized. Without proper documentation and until this confirmation is received, no offer of appointment can be made to the candidate." Additionally, the UNDP Recruitment and Selection Framework, paragraph 65, states that "each recruitment and selection must include three basic elements unless a competitive selection is considered not practicable as per Section 9 below: ... (iii) A thorough verification of relevant qualifications and credentials, including thorough reference checks." However, OAI noted that there was no evidence of:

- o academic institution checks against UNESCO listing in all cases sampled; or
  - o reference checks being performed in 6 out of 32 cases.
- (g) The Recruitment and Selection for Local FTAs and International FTA Posts not covered by Candidate Pools, paragraph 33, states that "UNDP Internal candidates... under consideration for short-listing must submit their three most recent Results and Competency Assessments (RCAs) to the Hiring Unit, where applicable. Candidates from the UN Common System are also required to submit their last three performance reports, where applicable. The RCAs and similar UN performance reports are an important input into the selection process, as an evaluation of a candidate's recent accomplishments and demonstrated competencies." However, OAI noted that in 10 out of 24 relevant cases there was no evidence of checking prior UNDP employment (including prior year Results and Competency Assessments).

All the above exceptions may result in the failure of UNDP in meeting the guiding principles of competition, objectivity, transparency, diversity and accountability, as set out in Section 3.0 of the UNDP Recruitment and Selection Framework.

Priority	Medium (Important)
<b>Recommendation 17:</b>	
OHR should strengthen its internal control procedures by ensuring that:	
<ul style="list-style-type: none"><li>(a) Recruitment documentation for all staff members is readily available and accessible to enable UNDP to demonstrate compliance with Staff Rules and Staff Regulations of the United Nations and recruitment and hiring policies and procedures.</li><li>(b) Long-listing and shortlisting decisions and rationale are clearly documented in all instances. A standard form/template should be used which should identify the panel performing the long-listing and shortlisting.</li><li>(c) All interview panels consist of a minimum of (i) the hiring manager (or a representative), (ii) an HR professional or associate and (iii) two staff members from outside the hiring unit, as set out in the Recruitment Guide. Interview reports should clearly indicate the above roles and provide job titles and bureau/unit information for each panel member.</li><li>(d) Action/reasons need to be created in Atlas to correctly capture staff movements made through decisions other than regular reassignment. These include strategic placements, lateral moves and candidate pool selections.</li><li>(e) The recruitment strategy and assessment criteria are clearly defined and documented prior to the start of the vacancy announcement and assessment process.</li><li>(f) Candidates' academic and work experience qualifications are met for long-listed candidates. If an exception to such requirements is made for whatever reason, the documentation granting the waiver should be included in the recruitment file. The validity of academic institutions that candidates obtained qualifications from are checked against an agreed source and evidence of the check performed is kept on the recruitment file for each candidate/position. Reference checks are performed for all applicants. If an exception to such requirements is made for whatever reason, this should be documented in writing and relevant approval obtained by OHR.</li><li>(g) If candidates have been previously employed by UNDP, evidence should be captured in the recruitment files that prior performance records (e.g., Results and Competency Assessments) are obtained and reviewed.</li></ul>	

**Management comments and action plan:**  Agreed  Disagreed

Management accepted the recommendation made.

**Issue 19**      Lack of clear guidance on diversity/national representation requirements

The UNDP Recruitment and Selection Framework, paragraph 10, states: "UNDP's workforce will reflect diversity and will strive to include equal numbers of men and women, staff members representing as wide a geographic distribution as possible and individuals from under-represented groups, indigenous groups and persons with disabilities."

Even though recruitment policies and forms (such as the Compliance Review Board submission form) clearly define requirements regarding gender balance, it was noted that there was insufficient guidance for staff involved in the recruitment process of organization-wide requirements regarding geographic distribution, individuals from under-represented groups, indigenous groups and persons with disabilities. There was also no proof that OHR provides active and systematic monitoring and oversight over those concerns.

This may lead to non-compliance with the guiding principles of UNDP recruitment and selection as defined in the corresponding framework.

<b>Priority</b>	Medium (Important)
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**Recommendation 18:**

OHR should track and report on diversity in recruitment/selection. It should clearly define requirements and provide guidance and tools regarding the recruitment of staff members representing a wide geographical distribution, individuals from under-represented groups, indigenous groups and persons with disabilities and monitor compliance to demonstrate progress with this principle.

**Management comments and action plan:**  Agreed  Disagreed

Management accepted the recommendation made. OHR suggests that it should determine the specific information to be tracked.

**4.3 Hiring**

**Partially Satisfactory**

The UNDP Recruitment and Selection Framework lists as its guiding principles competition, objectivity, transparency, diversity and accountability. The focus of this audit area was on compliance with the Staff Rules and Staff Regulations of the United Nations, UNDP Programmes and Operations Policies and Procedures/Recruitment and Selection Framework and on accountability, transparency, timeliness and effectiveness of coordination between OHR and other parties involved in the hiring process. OAI held meetings with OHR management in New York and Staff Administrative Services in Copenhagen to gain an understanding of the hiring processes followed from when a new staff member is recruited up to their entry on duty.

The hiring process, although not formally defined, was explained by OHR as all the administrative processes taking place from the moment a candidate is offered a role at UNDP until their entry on duty. This includes background/reference checks for candidates, setting candidates up on Atlas, checking medical and visa

clearances, facilitating relocations, etc. Detailed testing was performed for a sample of new staff members who recently went through the hiring process using information provided by Staff Administrative Services and documentation available in the SuperOffice, an online repository used by OHR to store hiring-related documentation for each staff member (e.g. email communication, forms and documents).

**Results from the OAI survey on recruitment and hiring:**

(a) Newly recruited staff:

- Expressed concern about the delays experienced as part of their recruitment process. In the relevant question of the survey, 57.1 percent of the respondents disagreed in varying degrees when asked whether their recruitment (including hiring process) was completed in a timely manner.
- Commented on the unclear timelines as well as the high number and lack of clarity of forms they had to complete (this was a finding under the Hiring section of the report).
- Commented on the large number of emails received from many different people within UNDP (OHR Hiring Unit) as part of the recruitment and hiring process (this was a finding under the Hiring section of the report).

(b) Hiring Unit staff involved with recruitment process replied that:

- Only 11.6 percent had received any training regarding their role in recruitment in the last two years, while 39.5 percent had never received any training (this was a finding under the Recruitment section of the report).
- The exact role of the Hiring Unit versus OHR was not always clear (this was a finding under the Governance section of the report).

OAI encourages OHR to address the issues and concerns mentioned by staff in the survey.

**Issue 20**      **Insufficient hiring procedures**

There was no comprehensive hiring procedure to guide the overall process from when a selection was made through to when new staff members started in their new role. OHR had a flowchart outlining the steps along the hiring process, but there was no procedure or desk instruction used consistently to ensure an efficient and effective hiring process compliant with Staff Rules and Staff Regulations of the United Nations.

The absence of comprehensive guidance and instructions may result in inefficient and ineffective hiring processes and may ultimately result in UNDP failing to attract and retain appropriately skilled and experienced staff that will help the organization meet its strategic objectives.

<b>Priority</b>	Medium (Important)
<b>Recommendation 19:</b>	
OHR should develop a comprehensive procedure setting out all the key steps and requirements of the hiring process, including target timelines and detailed staff instructions for each step of the process. OHR should monitor compliance and timelines against the procedure on an on-going basis.	

**Management comments and action plan:**  Agreed  Disagreed

Management accepted the recommendation made.

**Issue 21**      Weaknesses in the internal control system of the hiring process

From the 50 sample recruitments selected, a subset of 25 cases was used for testing the hiring process. Documentation relating to the hiring process, including forms received from staff and candidates, email exchange, notes, etc., stored in the document repository system 'SuperOffice', was used in the OAI review.

The findings from the sample testing are summarized below:

- (a) SuperOffice provided a certain overview of emails exchanged, but it was not obvious which files were attached where and the search was time consuming as there was a need to go through a long-list of documents stored in order to find a certain document. In addition to delays, this may result in key steps in the process not being followed or a failure to flag missing documentation or other process requirements on a timely basis. It was noted that in five cases sampled, OHR requested the same documents twice from the new recruit.
- (b) The sample testing showed delays in the hiring process caused by the Hiring Unit, OHR (in three out of nine initial appointments sampled), and caused by other units/entities involved in the recruitment/hiring process as well as due to delays by the candidate/staff member. These delays mostly related to parties not answering emails in a timely manner, not asking for confirmation of whether emails/documents were received and not following up on outstanding email replies/documents. At the same time, there were technical issues with receiving emails from certain email account providers.

Delays were also caused by communication processes involving the large number of parties requesting different and, in some cases the same, information at various stages of the process. These parties responded individually to requests and did not communicate on a regular basis with each other. In addition to a delayed entry on duty for new staff members, significant delays may also dissuade successful candidates from accepting the UNDP posts and encourage them to seek alternative roles outside of the organization.

- (c) The Staff Rules and Staff Regulations of the United Nations require staff members to meet medical standards before confirming their appointment. In three out of nine reassessments there was no documentation of medical clearance obtained or a confirmation that it was not required in SuperOffice. This may result in candidates who are not medically fit for employment at UNDP.

Further, in four cases sampled the candidates' confidential medical examination results were saved in SuperOffice and could thus be viewed by any OHR staff with SuperOffice access, even though OHR was not supposed to have access to such records. In the view of OAI, a breach of confidentiality of candidate information may expose UNDP to legal action if personal information has not been handled in line with relevant legislation.

- (d) According to the standard offer letter, an appointment with UNDP is contingent upon visa clearance in certain countries. In 10 out of 25 samples, there was no documentation to show if the Office checked and received a copy of the staff member's visa (OAI noted, however, that 3 out of the 10 cases related to United States citizens at a New York duty station). There was no clear policy/process for checking staff member visas. This may result in delays in the actual entry on duty date for new staff members and the potential refusal to be allowed to enter particular countries if relevant immigration requirements have not been met.

- (e) OHR did not systematically confirm appointments and ask candidates to resign from their previous jobs after the medical and visa clearance had been obtained. This seemed to happen only if the candidate requested it. This may slow down the hiring process. There was documentation on file of OHR asking candidates to resign and proceed with travel arrangements only for three out of nine sampled initial appointments.

<b>Priority</b>	Medium (Important)
<b>Recommendation 20:</b>	
OHR should, in order to improve the transparency and timeliness of the hiring process:	
<ul style="list-style-type: none"><li>(a) Identify key documents, reorganize folder structures in SuperOffice or its alternative, develop and maintain a tool/function that provides an overview of the hiring process and that can be used as a checklist to know the status of key documents, i.e., requested, received and outstanding. It is understood that this functionality will be available in the eHire system being developed by OHR.</li><li>(b) Consider maximizing the use of eHire as the central repository of key documents and designing system-controlled process flows.</li><li>(c) Under the current, email-based system, contact persons in all concerned units (i.e. OHR/Staff Administrative Services, Hiring Unit, Hiring Unit's HR focal point, and others) should be consistently copied on relevant emails from/to candidates, keeping everyone informed and reducing delays due to missing information/documents.</li><li>(d) Document the receipt of medical clearance or confirm the waiver of need of medical clearance in all cases and ensure that access to medical examination results is adequately controlled.</li><li>(e) Document visa clearance checks in SuperOffice (or any relevant future system) in all cases.</li><li>(f) Confirm the appointment formally and in writing after obtaining the medical and visa clearance and request that the candidate resign from their current employment.</li></ul>	

**Management comments and action plan:**  Agreed  Disagreed

Management accepted the recommendation made.

#### 4.4 Career transition and separation

Partially Satisfactory

The Career Transition Unit based in OHR New York provides different kinds of support including support for staff affected by organizational change and advisory services on agreed separations. The agreed separations process is governed by a policy from 2009. Both Benefits and Entitlement Services and Global Payroll Services in Copenhagen are responsible for the implementation and payment disbursements of approved agreed separations. OAI held meetings with management and staff in the Career Transition Unit to understand the processes for separating staff and supporting career transition. OAI reviewed documentation provided by the Units involved in the audited processes and performed detailed sample testing for a number of separations in the following categories: resignation, agreed separation and expiration of appointment, to assess whether the processes followed were in compliance with the Staff Rules and Staff Regulations of the United Nations and corresponding UNDP policies. The testing also assessed efficiency of the separation process.

Overall, OAI concluded that the existing separation policies were not fully compliant with Staff Rules and Staff Regulations of the United Nations (see Rule 9.6 on Termination). Policies were vague in some points and for 'unassigned staff' a comprehensive policy was missing, leading to many exceptions to existing basic rules.

**Issue 22**      Inconsistent, unclear and incomplete policies

OAI reviewed the policies, processes and sample cases selected in the context of career transition and separations and noted the following issues:

- (a) There are inconsistencies and differences between the Staff Rules and Staff Regulations of the United Nations and the UNDP Programme and Operations Policies and Procedures, specifically the policy on agreed separation.
- With regard to the calculation of termination indemnity, the UNDP policy stated that the length of service comprises the total period of a staff member's full time continuous service "regardless of the contract type", while the United Nations limited this to staff on fixed-term appointments or continuing appointments.
  - Also with regard to this calculation, UNDP made reference to the basis for the calculation of the indemnity for locally recruited staff to be the gross salary less staff assessment while the United Nations' basis for calculating the indemnity was the gross salary, including language allowance, less staff assessment.
  - With regard to the commutation of accrued annual leave under agreed separations, UNDP payments for accrued annual leave were up to a maximum of 15 working days for staff with temporary appointments, compared to the United Nations maximum of 18 working days.
  - With regard to the last day for pay purposes under agreed separations, UNDP policy stated that if a staff member is separated while on Special Leave without Pay, the effective date of separation would be the last day of active duty. UNDP also made specific references to the last day for pay purposes with regard to staff members who separate while on sick leave or maternity leave. There was no mention of these in the Staff Rules and Staff Regulations of the United Nations.

The lack of consistent, clear and aligned policies on separations could result in the inconsistent application of the policies which may, in turn, be detrimental to the staff concerned or, ultimately, to the organization itself.

OHR commented that agreed separations are not covered by the Staff Rules and Staff Regulations of the United Nations. This policy was an independent decision made by the UNDP Administrator. Therefore the issue of compliance with the Staff Rules and Staff Regulations of the United Nations would not be relevant. OAI retains the issue as there was no rationale for having varied policies.

Certain criteria and information in the Programme and Operations Policies and Procedures is not clear with regard to policy implementation. For example:

- Under the section describing expiration of appointments, it is stated that "a staff member is informed as far in advance as possible if his/her fixed-term appointment is not to be renewed". This time reference is vague and open to interpretation.
- Under the section describing Type I Agreed separations, the narrative discussing the search period mentions that "active search means active efforts by the staff member to identify another assignment within a reasonable period of time", however, the term "reasonable" is not defined or delimited.

(b) There was no policy that covered the administration of 'unassigned' staff, i.e., staff members who are serving the notice period. As a result, OAI noted the following issues:

- The notice period for unassigned staff should normally be three months during which time the staff member is paid his/her salary from the 'unassigned' budget. OAI noted, however, that in 19 cases between January 2011 and October 2012 the staff members were paid for a notice period that was sometimes in excess of the three-month period and sometimes up to almost two years. Overall, the decision to extend the 'unassigned' period was determined on an ad hoc basis depending on the circumstances surrounding the case. In the view of OAI, the lack of clear and sufficient guidance in this area creates an environment that seems to permit the existence of exceptional cases as the normal operating standard rather than as an irregularity or exception.
- There was no central system to keep track of unassigned staff. Some information and communication with regard to unassigned staff are maintained informally by the Career Transition Unit staff and some were maintained in SuperOffice. The lack of a centralized system to manage unassigned staff could lead to inefficiencies and errors in their administration and create difficulties with regard to the succession of those who are handling the unassigned staff.

<b>Priority</b>	High (Critical)
<b>Recommendation 21:</b>	
OHR should revise its policies on separations by removing inconsistencies with the Staff Rules and Staff Regulations of the United Nations, specifying requirements where not clearly defined and formulating a policy for 'unassigned staff'.	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management accepted the recommendation made.	

#### 4.5 Learning

**Not Assessed**

Learning in the proposed new organizational structure at OHR is part of the pillar called Integrated Talent Management. Learning is an area which has been recently under serious review and restructuring in OHR and a Chief for the Integrated Talent Management has recently been appointed. The future development and positioning of learning within UNDP will depend on the direction set by the new Chief. OHR explained that learning in UNDP was not fully integrated with talent management. This new learning function shall serve the objective of talent management in that training shall be more focused on developing talent and addressing workforce needs. Details were not yet available at the time of the audit and therefore no detailed testing could be performed, and hence no audit rating for this section.

However, as planned, OAI conducted a survey on learning as part of the audit. Survey questionnaires were sent to a randomly selected sample of 45 Learning Managers and 99 staff, out of which 40 managers and 29 staff replied.

OAI noted the following key results from the survey:

- 
- (a) Training for hiring managers: 88 percent of responding hiring managers (38 out of 43) have either not participated in any learning activities regarding their recruitment role (17 cases) or participated in learning activities on recruitment more than two years ago (21 cases).
  - (b) Role of Learning Managers: There were different opinions among the respondents on the role of the Learning Managers, e.g., simply monitoring mandatory course compliance with the Learning Management System (UNDP on-line learning tool) and Results and Competency Assessment (UNDP performance management system) or being more proactive in needs assessment, planning with staff, workforce development, effective learning strategy, etc. At UNDP, each office designates its own Learning Manager to facilitate staff learning. Survey comments indicated that Learning Managers were missing support from senior management and that they would benefit from knowledge sharing among Learning Managers.
  - (c) Learning support: 34 percent of respondents were unclear whom to address for learning support, while 96 percent identified their learning needs on their own initiative, 72 percent identified the needs based on their Result and Competency Assessment or by discussing with their supervisor and only 31 percent did so together with their Learning Manager.
  - (d) Time allocated to training: 55 percent of staff members noted that they did not have enough time to complete the training foreseen in the learning plan, 58 percent of respondents noted that they were not able to use the foreseen five percent of their time for learning. Both staff members and Learning Managers commented that staff members mostly did not make use of the "five percent learning time" due to heavy workloads, but also because this principle was not being effectively implemented.
  - (e) Induction training: Only 38 percent of staff members noted that they had useful/relevant induction training in their office; 30 percent of staff members noted that they had no on-boarding training; 27 percent of Learning Managers noted that they had not received adequate induction training for their role.
  - (f) Mandatory courses: 86 percent of staff members replied that they had completed all mandatory courses; only 35 percent noted that mandatory courses had a significant impact on their work; 47 percent of staff and 45 percent of Learning Managers answered that there were too many mandatory courses; 45 percent of staff and 50 percent of Learning Managers answered that courses were too long. Comments by respondents showed that mandatory courses tended to be seen only as a duty for staff members and not as a learning activity. Therefore, courses were completed quickly, details were memorized for the test, and soon after the courses were completed they were forgotten, adding very little practical value. It may be useful to review the number of the mandatory courses and their length.
  - (g) Format of training: Only 21 percent of staff members considered virtual learning very effective, whereas 65 percent considered face-to-face workshops/seminars very effective. In general, both Learning Managers and staff members' comments preferred face-to-face training. Some comments showed that especially in Country Offices with a slow internet connection or other software issues it may become very time consuming to complete online training with many animations, webinars, etc. (e.g. 10 hours instead of the estimated 2-3 hours, if they could finish the course at all).

Furthermore, through the review of audit engagements carried out in Country Offices and Headquarters between 2010 and 2012, OAI identified recurrent issues relating to "learning":

- (a) In 18 audits, OAI noted that mandatory courses were not completed by all staff.
- (b) Lack of or insufficient specific training opportunities (e.g. on donor relations, induction training, training in French, specific Atlas training, etc.).
- (c) In 10 OAI reports, issues relating to training needs were noted (for example it was noted that staff members were not trained in their area of responsibilities, e.g. on IPSAS, leave administration in Atlas, finance and procurement). In six OAI audits, it was noted that training or certificates were not completed (e.g. on procurement, finance, HR, IPSAS).

- (d) In 11 OAI audits, it was noted that no training plan existed.

#### **4.6 Career management**

**Unsatisfactory**

An effective corporate-sponsored career management process helps to motivate and improve staff retention and effectiveness. It also helps UNDP to develop talent from within, build institutional knowledge and capacity through harnessing staff learning curves and investment, and reduces costs associated with high staff turnover. OAI held interviews with OHR management to establish the career management approach of OHR.

Overall, OAI concluded that there was an absence of a comprehensive, organization-wide career management approach, as this was left fully to individual staff and managers, without any institutional guidance, learning or support.

##### **Issue 23      Lack of career management strategy, policy and tools**

OAI noted the following issues:

- (a) There was no career management policy. Career management activities may be undertaken at the local office/unit level, but there was no overall guidance or procedure. There was a limited career management element in the candidate pool system as well as the LEAD programme (not currently active), but this was not part of an overall career management plan or approach at UNDP.
- (b) Managing staff members' careers was not part of the job requirements for managers. Also, managers were not assessed against this competency or did not participate in related learning activities.
- (c) There was no clear responsibility for career management in the OHR leadership team. Effective from April 2013, career management will be under the purview of the Integrated Talent Management within OHR.

Since career management is not a corporate priority and not governed by relevant policies, procedures and guidance, UNDP may suffer from poor staff motivation and retention, high staff turnover (with associated time delays and increased costs) and ultimately a failure to build the right institutional knowledge and workforce to help the organization achieve its strategic objectives.

The new People Capability Strategy to be developed by OHR (refer to Issue 7) should integrate career management as a critical element of UNDP staffing needs. Hence, recommendation 6 will also address the issue described herein.

#### **5. IT tools**

**Unsatisfactory**

A critical factor of efficiency and effectiveness of human resource procedures are IT systems and tools that support operations. The development and implementation of new technical components in Atlas through ongoing projects (eRecruit and eHire) was initiated to unify multiple disparate processes and systems while introducing efficiencies through automation. Further modules shall follow. OAI held meetings with OHR management and analysed project documents and budget data available for assessing the adequacy and effectiveness of the project implementation.

Overall, OAI concluded that the governance of the IT project needs significant improvement to deliver timely and expected results, while keeping close control of the project costs. The development and current roll-out of the first module (eRecruit) was not based on a comprehensive process redesign of recruitment. The foreseen

streamlining project of human resource recruitment and hiring processes in the third quarter of 2013 might need to be adapted to consider the needs of the systems and increased costs.

**Issue 24**      Weak planning and governance of IT project implementation

OAI noted the following issues:

- (a) There was no comprehensive project plan available for the development and implementation of the new human resources-related Atlas modules (providing e.g. projected/consumed budgets, timelines, responsibilities, objectives/business requirements, etc.).

The IT system Blueprint (dated 1 November 2011) that served as the original basis for the new recruitment process in UNDP (the e-recruit module in Atlas) had the following shortcomings:

- o It focuses on international staff on fixed-term appointment contracts only. Blueprint streams for all other contract types were stated to be developed at a later date but such has not been specified and was not yet done.
- o The Blueprint represents an analysis of the recruitment process for international recruitment in UNDP and reflects the process flows "as is" with some ideas as to how IT could facilitate the process. No detailed and comprehensive analysis of the recruitment process itself was performed to determine any areas for improvement and streamlining before converting it to an automated module in Atlas. Taking the recruitment current process "as is" and translating this into an Atlas module before thoroughly analysing and examining the process itself to determine its efficiency and effectiveness might be costly to the organization and may not enable the organization to take advantage of the tools/procedures provided as Oracle standard.
- o The Blueprint did not provide/indicate any information with regard to time lines for completion or implementation of the project or the cost to complete/implement the e-recruit and other modules.

A Project Initiation Document was developed in 2012, in addition to the Blueprint, to serve as the project document for the creation of the eRecruit and eHire modules in Atlas. OAI noted the following issues with regard to this project document:

- o It was in draft form and not signed by any of the concerned parties.
- o It was stated that a Project Board would oversee the project. This Board held its first meeting on 21 February 2013, although the project was initiated in 2011. The Project Board was supposed to meet once a month. There were no formal meeting minutes from the first board meeting. However, the board recommended to prepare board meeting minutes at the first board meeting held on 21 February 2013.
- o Staff resource requirements of the project as described in Project Initiation Document were incomplete and additional information provided did not provide a complete view. At the time of the audit, several posts were vacant. Key functions were filled with temporary appointments and staff members whose contract would expire before the project ends (e.g. interim project manager TA contract expiry 30 July 2013). The document mentioned additional project resources that would be needed to implement the project (human resources, communications, policy and training), but there was no planned duration of assignment indicated for these additional resources.

- (b) Concerning the project budget, OAI noted the following issues:

- o During 2012, only \$17,000 (representing travel expenses) was spent against the approved Staff Administrative Services Directorate budget of \$278,000. The cost of the eRecruit project manager (engaged under a temporary appointment contract) was charged to the OHR budget and only effective 31 January 2013 was this cost charged to the eRecruit project. A fixed-term appointment position for the eRecruit project manager was created and was pending advertisement/filling at the

- time of the audit. It was not clear why the eRecruit project manager was not recruited under a fixed-term appointment contract from the beginning of the project given the long-term nature, complexity, importance and magnitude/scope of the work required under this activity.
- As of the end of February 2013, only \$39,000 was expended between Staff Administrative Services Copenhagen and Bureau of Management/Office Information and Systems Technology against an approved budget of \$1.3 million. Again, the incurred expense represented travel costs. According to OHR, the project would consume a majority of its costs just before and just after the global roll-out related to project management, training and help desk efforts.

Overall, the project budget related information available does not provide a clear and complete view of planned and consumed resources.

Inadequate planning, monitoring and controlling of the project may endanger timely, efficient and effective delivery of expected project results.

<b>Priority</b>	High (Critical)
<b>Recommendation 22:</b>	
OHR should closely monitor the progress of the eRecruit and eHire projects and further modules planned and ensure that:	
<ul style="list-style-type: none"><li>(a) the business processes to be automated are comprehensively analysed for an effective, efficient and streamlined design;</li><li>(b) the missing information in the project plan for the current modules is completed and approved by the Project Board;</li><li>(c) plans for future elements of the human resource IT-systems are completed before being approved by the Project Board and before starting project implementation; and</li><li>(d) budget control is exercised effectively.</li></ul>	
<b>Management comments and action plan:</b> <input checked="" type="checkbox"/> Agreed <input type="checkbox"/> Disagreed	
Management accepted the recommendation made.	

## ANNEX Definitions of audit terms - ratings and priorities

### A. AUDIT RATINGS

In providing the auditors' assessment, the Internal Audit Services of UNDP, UNFPA, UNICEF and WFP use the following harmonized audit rating definitions. UNDP/OAI assesses the Country Office or audited HQ unit as a whole as well as the specific audit areas within the Country Office/HQ unit.

- **Satisfactory** Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity. (*While all UNDP offices strive at continuously enhancing their controls, governance and risk management, it is expected that this top rating will only be achieved by a limited number of business units.*)
- **Partially Satisfactory** Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity. (*A partially satisfactory rating describes an overall acceptable situation with a need for improvement in specific areas. It is expected that the majority of business units will fall into this rating category.*)
- **Unsatisfactory** Internal controls, governance and risk management processes were either not established or not functioning well. The issues were such that the achievement of the overall objectives of the audited entity could be seriously compromised. (*Given the environment UNDP operates in, it is unavoidable that a small number of business units with serious challenges will fall into this category.*)

### B. PRIORITIES OF AUDIT RECOMMENDATIONS

The audit recommendations are categorized according to priority, as a further guide to UNDP management in addressing the issues. The following categories are used:

- **High (Critical)** Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP and may affect the organization at the global level.
- **Medium (Important)** Action is required to ensure that UNDP is not exposed to significant risks. Failure to take action could result in negative consequences for UNDP.
- **Low** Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.