



AUDIT

OF

UNDP LEAVE MANAGEMENT SYSTEM

Report No. 1283
Issue Date: 13 June 2014

Report on the audit of UNDP Leave Management System Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of the UNDP leave management system from 3 March to 17 April 2014. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the following areas and sub-areas:

- (a) governance, including roles and responsibilities, policies and procedures, staffing and communications; and
- (b) IT tools and controls pertaining to the leave management process, reporting and monitoring leave balances, and using the eServices leave module.

The audit covered the period from 1 January 2012 to 17 April 2014. This was the first audit conducted of the leave management system.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Overall audit rating

OAI assessed the UNDP leave management system 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 the lack of application controls relating to leave entry and adjustments.

Key recommendations: Total = 3, high priority = 1

For high (critical) priority recommendations, 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. The high (critical) priority recommendation is presented below:

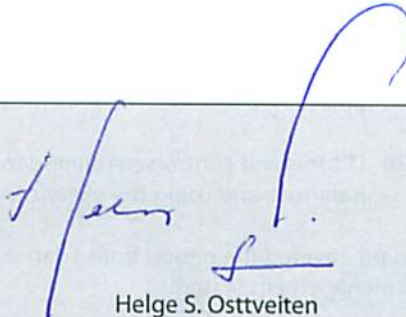
Lack of application controls in relation to leave entry and adjustments (Issue 3)

A review of the eServices leave module showed a lack of controls in a number of areas. Specifically, the policies regarding annual leave and home leave specified certain balance thresholds that should not be exceeded, however, the eServices leave module did not include any system controls to ensure compliance with these policies. Furthermore, large numbers of entries were being made by leave monitors on behalf of staff members in the eServices leave module. In addition to entering data on behalf of staff members, leave monitors also had the ability to directly adjust the leave balances of staff members. No controls were in place governing these manual adjustments.

Recommendation: Improve controls for recording and monitoring leave.

Management comments and action plan

The Director, Office of Human Resources accepted all of the recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.



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