



INTERNAL AUDIT DIVISION

REPORT 2016/078

Audit of Umoja implementation in Nairobi-based entities

Overall results relating to the implementation of Umoja in Nairobi-based entities were initially assessed as unsatisfactory. Implementation of two critical and nine important recommendations remains in progress

FINAL OVERALL RATING: UNSATISFACTORY

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AUDIT REPORT

Audit of Umoja implementation in Nairobi-based entities

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the Umoja implementation in Nairobi-based entities, i.e., the United Nations Office at Nairobi (UNON), the United Nations Environment Programme (UNEP), and the United Nations Human Settlements Programme (UN-Habitat).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. UNON was established by the General Assembly in 1996. Apart from performing representation and liaison functions, UNON manages and implements the programmes of administration, conference services, public information, and safety and security in Nairobi. It also provides administrative and other support services to UNEP and UN-Habitat.
4. UNEP is the leading global environmental authority that sets the global environmental agenda and promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system and serves as an authoritative advocate for the global environment.
5. UN-Habitat was mandated by the General Assembly in 1978 to address the issues of urban growth. UN-Habitat works to ensure that cities become inclusive and affordable drivers of economic growth and social development.
6. The Nairobi Deployment Group comprising representatives from UNON, UNEP and UN-Habitat was established in March 2015 to ensure the timely and smooth deployment of Umoja in the Nairobi-based entities. The group was mandated to: (i) coordinate the preparation for Umoja deployment; (ii) manage global transactions and processing for the three Nairobi-based entities; and (iii) achieve an optimal configuration in relation to the end-to-end processes deployed with Umoja.
7. Umoja is an application of the SAP enterprise resource planning (ERP) software that supports management activities related to finance, budget, human resources, supply chain, central support services, and other core business functions. This system is replacing and integrating numerous existing legacy information systems in use across the United Nations Secretariat.
8. The Department of Management (DM) has been leading the implementation of the Umoja project through the Umoja Office. The deployment of Umoja was divided into phases (Foundation, Extension I, and Extension II), modules, and clusters for deployment. Umoja went live in the Nairobi-based entities on 1 June 2015.
9. Comments provided by UNON, UNEP, UN-Habitat, and DM are incorporated in italics.

II. OBJECTIVE AND SCOPE

10. The audit was conducted to assess the adequacy and effectiveness of governance, risk management and control processes put in place by the Nairobi-based entities and DM in providing reasonable assurance regarding the **effective implementation of Umoja in UNON, UNEP and UN-Habitat**.

11. This audit was included in the 2015 OIOS risk-based work plan because of the high risks associated with the implementation of Umoja in the Nairobi-based entities and its potential impact on the deployment of Umoja in other duty stations.

12. The key controls tested for the audit were: (a) project management; and (b) information and communications technology (ICT) support system. For the purpose of this audit, OIOS defined these key controls as follows:

- (i) **Project management** – controls that provide reasonable assurance that there is an appropriate project management mechanism to implement the Umoja system, including: (i) adequate financial resources; (ii) adequate and competent human resources; and (iii) appropriate project management tools; and
- (ii) **ICT support system** – controls that provide reasonable assurance that the Umoja system addresses the business needs of UNON, UNEP and UN-Habitat.

13. The key controls were assessed for the control objectives shown in Table 1.

14. OIOS conducted the audit from 1 November 2015 to 29 February 2016. The audit covered the period from 1 February 2015 to 29 February 2016 and included a review of the processes for Foundation and Extension I phases.

15. OIOS conducted an activity-level risk assessment to identify and assess specific risk exposures, and to confirm the relevance of the selected key controls in mitigating associated risks. Through interviews, analytical reviews and tests of controls, OIOS assessed the existence and adequacy of internal controls and conducted necessary tests to assess their effectiveness.

III. AUDIT RESULTS

16. The governance, risk management and control processes examined were initially assessed as **unsatisfactory**¹ in providing reasonable assurance regarding the **effective implementation of Umoja in UNON, UNEP and UN-Habitat**. OIOS made 12 recommendations to address the issues identified in this audit.

17. UNON, UNEP, UN-Habitat and the Umoja Office had established project management procedures and practices for the deployment of Umoja but there were critical control weaknesses arising from: (i) incomplete deployment of core functionalities for human resources management; (ii) inadequate access controls; and (iii) inadequate process design. In addition, there were weaknesses in the overall

¹ A rating of “**unsatisfactory**” means that one or more critical and/or pervasive deficiencies exist in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

system configuration, project management, policies and procedures, and data management which adversely affected the implementation of Umoja in the Nairobi-based entities.

18. The initial rating was based on the assessment of key controls presented in Table 1 below. The final overall rating is **unsatisfactory** as implementation of 2 critical and 9 important recommendations remains in progress.

Table 1: Assessment of key controls

Business objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
Effective implementation of Umoja in UNON, UNEP and UN-Habitat	(a) Project management	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(c) ICT support system	Unsatisfactory	Unsatisfactory	Partially satisfactory	Partially satisfactory
FINAL OVERALL RATING: UNSATISFACTORY					

A. Project management

Need to strengthen controls over project management

19. In accordance with the United Nations project management framework (Projects in Controlled Environments, PRINCE 2), projects should be completed on the basis of activities that are planned and monitored, with issues tracked and appropriately addressed.

20. The Nairobi Deployment Group reported to the Controller and the Umoja Office some 185 issues for further review and analysis. The Umoja Office stated that the Post-implementation Review Task Force tracked implementation issues and their resolution. However, as of November 2015, the status of this review and analysis showed that:

- (i) Eight issues had not been addressed;
- (ii) 104 issues were under analysis; and
- (iii) Some of the issues reported were categorized as unrelated to system or process problems.

21. This condition was due to incomplete review of the reported issues at Headquarters, which may lead to inefficient and ineffective use of Umoja in the Nairobi-based entities.

(1) DM should complete its review of the Umoja implementation issues reported by the Nairobi-based entities and provide them with follow-up guidance as necessary.

DM accepted recommendation 1 and stated that the Umoja Post Implementation Review (UPIR) Task Force is actively engaged in the resolution of issues. The Umoja office monitors and reports weekly on the progress. The monitoring of the UPIR actions is a regular item on the agenda of the weekly OUSG/DM Executive Management Group meetings chaired by the Under-Secretary-General

for Management. Recommendation 1 remains open pending receipt of evidence demonstrating that the issues relating to Umoja implementation reported by the Nairobi-based entities have been resolved.

Need to strengthen training

22. The Umoja Deployment Guide required the Nairobi-based entities to ensure that staff receive essential training and acquire the necessary skills and knowledge to perform their functions in Umoja.

23. The Umoja Office and the Nairobi-based entities implemented some good control practices, including the completion of the logical mapping of roles for the identification and tracking of courses, and the development of web-based courses for staff members located in out-posted offices. However, the following control weaknesses were noted with regard to training:

- (i) Training materials provided by the Umoja Office were focused on peacekeeping processes;
- (ii) In some instances, training instructions differed from the solutions deployed;
- (iii) Criteria to support the certification of local process experts were not measurable. Formal certification of local process experts (LPE) was not complete, and there were instances of staff gaining knowledge from other methods of learning which were not recognized (such as participation in testing);
- (iv) Significant changes were introduced in roles assigned to staff members which negatively affected the planning, management and tracking of their corresponding training plans; and
- (v) Comprehensive payroll training documentation produced by the Umoja Office had not been made available to the Payroll Section of UNON.

24. This condition was due to the inadequate implementation of Umoja training in the Nairobi-based entities, which may lead to the inability of staff to perform their duties.

(2) DM should: (i) ensure that training activities for Umoja processes are localized to the target audience; (ii) ensure that training instructions are aligned with the solutions deployed; and (iii) address the issues preventing the formal certification of local process experts and the recognition of other forms of learning.

DM partially accepted recommendation 2 and stated that: (i) Umoja has led the effort to coordinate the training approach with the Office of Human Resources Management (OHRM) and the respective local training entities and to build capacity of LPEs who can train locally; (ii) training materials are regularly updated to reflect any changes in the solution; and (iii) the effort to build capacity and certify LPE trainers is in progress with several training sessions being planned for 2016. Recommendation 2 remains open pending receipt of evidence demonstrating: (i) localization of training activities for Umoja processes to the target audience; (ii) alignment of training instructions with the solutions deployed; and (iii) certification of LPE and recognition of other forms of learning.

B. ICT support system

USER ACCOUNTS

Need to strengthen controls for the management of user roles and accounts

25. Access to the Umoja system should be restricted to authorized staff members in accordance with their functional roles and responsibilities. Access should also be periodically monitored for proper use.

26. UNON, UNEP and UN-Habitat had dedicated Security Liaison Officers who were responsible for providing, modifying and removing user access to Umoja based on their responsibilities. They were supported by DM through ongoing interactions, guidelines and training. However, the following critical issues were noted:

- (i) There were differences between the number of users mapped in the matrix prepared by the Nairobi-based entities and those active in Umoja;
- (ii) There were instances of users that had not logged into Umoja for more than 90 days;
- (iii) UNEP stated that the amount of license fees for the accounts created was not yet known by the Nairobi-based entities, which posed the risk that undue license fees may be paid;
- (iv) 66 staff had access to view bank details although their job responsibilities did not require this access. For example, the Operational Service Desk Team of human resources (HR) had view access to bank details of individual staff, which was not required for their function;
- (v) 12 staff members were separated from UNEP in October 2015. In five of these cases, separated users had valid access to Unite and Umoja. In four cases, users had access to the Umoja system after their separation date; and
- (vi) The provision of employee-self-service (ESS) roles was a manual process. No reports were available to identify whether any staff had not been provisioned. Furthermore, no reports were available to track the timeliness of the ESS access provisioning for eligible staff members. In UNEP, home leave travel requests for certain staff members were still not recorded because they had not received access to ESS. The seriousness of the condition was compounded by the absence of reliable time and attendance reports in Umoja.

27. This condition was due to: improper mapping of user roles; inadequate monitoring of Umoja accounts and software licensing fees; and lack of adequate reports. As a result, the Organization may be exposed to critical risks associated with: unauthorized/inappropriate access to the system; incomplete transactions related to staff entitlements, time and attendance; and undue licensing fees.

(3) UNON, in coordination with UNEP, UN-Habitat and DM, should: (i) implement monitoring mechanisms to ensure adequate reconciliation of staff members and user accounts created in Umoja; (ii) review the assignment of roles/accounts when they are inactive for more than a pre-defined period of time; (iii) complete the review of the roles granted to staff that are able to access sensitive HR master data (i.e., employees' bank details) and ensure that their assignment is based on the "need-to-know" principle; and

(iv) identify and review the staff members who are eligible but not provisioned with Employee-Self-Service access.

UNON accepted recommendation 3 and stated that a report of all staff mapped to HR master roles will be shared with Service Chiefs to review. The review of roles of all staff is ongoing, only staff performing financial and HR roles have access to sensitive HR master data. All staff are provisioned ESS access by HR Partners as part of a new staff members onboarding; consultants and individual contractors are not granted access. DM is currently in the process of developing Business Intelligence reports for the monitoring of staff members and user accounts. Standard Operating Procedures are currently being developed by DM for monitoring the use of roles/accounts. Recommendation 3 remains open pending receipt of evidence demonstrating the: (i) implementation of monitoring mechanisms to ensure reconciliation of staff members and user accounts created in Umoja; (ii) conduct of regular reviews of the assignment of roles/accounts when they are inactive for more than a pre-defined period of time; (iii) conduct of regular reviews of roles granted to staff that are able to access sensitive HR master data; and (iv) identification and review of the accounts of staff members who are eligible but not provisioned with adequate ESS access.

Need to strengthen controls over financial data, transactions and processes

28. In accordance with Umoja procedures, business processes should be designed and integrated in the development and implementation of the new information system with adequate mechanisms for meeting business requirements and, to the extent possible, automating control processes and improving performance.

29. The Nairobi-based entities had identified a large number of control weaknesses related to financial data, transactions and process inefficiencies, some of which were considered critical because they prevented them from discharging their mandated functions and activities. These issues had been reported to - and acknowledged by - the Umoja Office and the Controller's Office at Headquarters. However, as of the time of the audit, there were:

(i) 39 issues related to finance that were still pending resolution. Of these, 32 were identified as "high priority" and 7 as "urgent"; and

(ii) Four issues were closed; four were in progress; and 31 were under analysis with the Umoja Office.

30. In addition, as a result of the audit tests conducted by OIOS, control weaknesses were identified in a number of areas as explained below.

(i) Accounts payable: The Nairobi-based entities exercised good controls in the areas of accounts payable. Cleansing processes were well executed and ensured that opening balances in the system matched the data submitted to the Umoja Office. There were also good controls in place for parked documents. Monitoring of accounts payable was conducted to check potential instances of duplicate payments. However, the following critical issues were noted with regard to data and process inefficiencies:

a. Accounts payable users could not see vendor payment methods, currency and bank details of business partners which resulted in payments being returned or failing to be disbursed.

- b. There was no mechanism in place to clear advances that were converted without a purchase order due to the absence of linkages between advances and purchase orders. DM stated that this condition was based on a decision made by UNON not to update Integrated Management Information System (IMIS) for providing the linkages.
 - c. UNON was unable to net credit memoranda against invoices, which could result in over and/or under payments. DM stated that Umoja was configured to use standard SAP functionalities regarding the application of credit memoranda against invoice payments and that job aids were available to train users accordingly.
 - d. Umoja displayed incorrect error messages for payment methods.
 - e. There was a backlog of travel expense payments in UN-Habitat due to inadequate workflows configuration in Umoja.
 - f. There were delays in recording Umoja service entry sheets or fund commitments by the substantive offices in UNEP and UN-Habitat which resulted in a backlog of vendor payments.
 - g. There was a backlog of payment requests from UNEP and UN-Habitat stored in the Lotus Notes workflow database pending recording in Umoja by UNON.
 - h. There were delays in the submission of expenditure reports from UNEP and UN-Habitat to UNON, which resulted in a backlog of open advances for implementing partners and open items in Umoja.
 - i. UN-Habitat had not yet implemented its own “peer review process” of accounts payable, which caused increased workload for UNON.
- (ii) Accounts receivable: The Nairobi-based entities followed some good control practices for accounts receivable. A UNON Quality Control Team generated “Applied Cash” reports to prevent duplicate cash applications. The team also performed month-end procedures to clear all parked documents and checked aging of accounts. However, the following critical issues were noted:
- a. Umoja did not allow an automated control of duplicate applications of cash. Once processed, it was not possible to reverse the cash applied in the cash application process.
 - b. There was no approval process for applying cash.
 - c. Aging used the “applied cash date” instead of the “bill date” which resulted in inaccurate aging.
 - d. It was not possible to generate an accounts receivable statement from Umoja for business partners (including donors). This condition prevented business partners from having the opportunity to verify the accuracy of their accounts.
 - e. UNON could not monitor accounts receivables in an efficient manner. DM also stated that the management of accounts receivable within Umoja was a change management issue.

- f. Accounts receivable users had to manually summarize bills per customer (i.e., using Excel) because this functionality was not available in Umoja.
- (iii) Budget processing: The Nairobi-based entities implemented a number of good control practices over budget processing, i.e.,: (i) budget transactions were deferred during the blackout period; (ii) local budget process experts attended training courses at New York Headquarters and worked closely with the Umoja Office; and (iii) parked documents were monitored on a monthly basis. DM stated that both budget and cash controls were adequately implemented and operational in Umoja. However, the following critical issues were noted:
- a. The Nairobi-based entities were not able to control budget overspending by checking actual transactions (i.e., expenditures) against budgets before allowing the transaction to be completed in the system, which resulted in the ability to spend before cash was received.
 - b. Umoja did not prevent the releasing of budget amounts that were more than the available cash.
- (iv) Cost recovery:
- a. All recoveries for telephone charges were credited to a UNON cost centre, although there were credits for UNEP and UN-Habitat. UNEP and UN-Habitat had not received their recoveries since the deployment of Umoja.
 - b. The Finance Section of UNON was unable to produce management reports for monitoring the amount of cash received.
 - c. Workflow and role mapping for approvers needed to be refined. Approvers received a significant amount of requests for transactions that were not intended for them.
 - d. It was not possible to generate in Umoja statements of accounts by business partner. UNON had to manually prepare a large number (approx. 1,000) of statements using Excel.
- (v) Grants: Although the Nairobi-based entities had properly performed all required activities to cleanse and convert grants data in accordance with the Umoja Deployment Guide, this process failed. Therefore, there were un-cleared cash balances in the conversion ledger, which caused problems in grants processing during the post implementation phase of Umoja. At the time of the audit, the Nairobi-entities were still awaiting guidance from the Umoja Office and OPPBA to resolve this issue. In particular, the following critical control weaknesses were identified:
- a. Umoja allowed the acceptance of transactions for grants related funds without requiring a grant identification code, which caused problems in the grants process.
 - b. There were budget documents posted to prior years because the system defaulted to the original budget date of the grant. Although the system presented warning messages, users did not change the relevant date.

- c. Umoja allowed users to transfer amounts between budget lines greater than the funds available, resulting in negative balances. This condition was due to errors made by users between budget years and the absence of controls in the system to prevent this occurrence.
- d. There were two reports (i.e., a general ledger and a budget report) that presented inconsistent data because some transactions were not included in both documents.
- (vi) Treasury: The Nairobi-based entities experienced significant delays in processing bank reconciliations due to rounding differences between the balances generated by the software of its house bank and the Umoja system. These differences resulted in over 7,000 transactions per month that required manual reconciliation. UNON had assigned dedicated resources for addressing the bank reconciliation backlog. In addition, the house bank for Kenya was shared by several United Nations worldwide and therefore only one staff member at a time – worldwide – could perform reconciliations, which contributed to the delays. UNON stated that a solution to the software issue was being tested.
- (vii) Property management: The Nairobi-based entities had submitted a list of Umoja processing issues related to property management. Some of these issues were still pending resolution at the time of the audit, which could lead to possible errors and omissions in data records, and inaccurate financial reporting. The Office of Central Support Services stated that the majority of property management issues identified have been addressed and it continued to work closely with UNON and the Umoja “Post Implementation Review Task Force” to review and resolve any further concerns in the area of property management.
- (viii) Procurement: The Procurement Units of the Nairobi-based entities exercised good control practices in the area of procurement, including: (i) advance planning of the blackout period; (ii) enforced cut-off dates and notification of vendors to deliver goods by established deadlines; (iii) outsourcing of procurement activities to external entities (i.e. United Nations Office for Project Services, etc.) during the blackout period; (iv) data cleansing tasks in accordance with the Umoja Deployment Guide; and (v) adequate separation of duties between the roles associated with procurement, requisition, master data maintenance and vendor payment. However, the following critical issues were noted:
- a. Umoja support could not adequately address the demand of vendor management processes (i.e., low turnaround time for adding a new vendor, etc.) in an efficient manner.
- b. There were inaccuracies in the “Organization Management” workflow of Umoja for the Nairobi-based entities, which caused procurement documents and transactions to be routed to the wrong staff member. This issue caused delays due to the need for performing time consuming searches of documents and transactions in Umoja.
- c. There were open issues reported by the Nairobi-based entities related to procurement that were still pending resolution at the time of the audit.
- (ix) Inventory and stores: The Nairobi-based entities followed some good control practices in the area of inventory and stores, including: (i) data cleansing of the legacy inventory system as required prior to loading data into the “Inventory Data Collection Tool”; (ii)

close collaboration with the Offices at the New York Headquarters and the United Nations Global Service Centre at Brindisi, to map products and define new descriptions in the materials master catalog; (iii) assistance provided to the various Nairobi stores for data cleansing and conversion activities; and (iv) close coordination with the subject matter experts of the Umoja Office to identify new processes for inventory and warehouse management. However, the following critical issues were noted:

- a. All requisitions defaulted to the “Print Shop” store which sometimes resulted in users creating requisitions for the wrong store without having mechanisms to identify or correct errors after the requisition was completed.
- b. Inventory users for any store could raise and approve a transaction for all stores.
- c. There were no mechanisms for monitoring “Stock Levels” and “Replenishments” in Umoja.
- d. There were no functionalities in Umoja to display inventory data in a user-friendly and efficient manner, track partially issued items, or process the transfer of goods between different store locations and cost centers. Users utilized Excel tables, which caused delays.

(xii) Human resources (HR): The HR function was supported by a dedicated operational support desk, which provided centralized support to UNON, UNEP and UN-Habitat to process various administrative tasks related to HR. However, the following critical issues were noted:

- a. The reporting capability of Umoja for the HR function was very limited. The HR Section was centralized in UNON. UNEP and UN-Habitat were supported by HR focal points (also called HR partners), who acted as a single point of contact. The HR Section of UNON provided a list of 35 reports available in Umoja of which 23 were in production but only two reports were fully functional. Further, no job-aids were available to UNON staff for using these reports.
- b. No reports were available in Umoja for monitoring “Time and Attendance” data and, therefore, the HR Section was not able to verify the accuracy of leave data used for payroll computation purposes. UNON stated that, recently, two reports were made available in Umoja to display leave requests and absences.
- c. Business intelligence reports for the HR function were not yet available.

(xiii) Travel:

- a. Automated funds sufficiency check was not working as expected. There were issues with: (a) grants and funds sufficiency which caused instances of invoices that could not be paid; and (b) amendments to travel requests caused the entire original amount being shown as “budget error” (requiring re-submission to the certifier).
- b. Automatic distribution to cost centres was not working as expected. There were instances of funds not being available after certification (the certification did not block/commit funds).

- c. There was limited online tracking. Travel Processing Officers (TPO) and Certifying Officers could use trip-tracking functionalities. However, travellers using ESS and Manager Self Service (MSS) functionalities could not establish or determine who was processing their travel request.
- d. The electronic upload of invoices from travel agencies was limited because adequate information was not provided to all relevant travel agencies. In addition, there were issues related to discrepancies between the amounts recorded in Umoja and those invoiced by the travel agencies, which halted the processing. Also, in some instances, Umoja generated errors that were not visible to TPOs.
- e. The shipment requests functionality in Umoja was not working.
- f. The Nairobi-based entities had identified a large number of control weaknesses related to travel data, transactions and process inefficiencies, some of which were considered critical.

31. These conditions were due to the lack of adequate configuration and testing of automated controls in Umoja for financial data, transactions and processes, and inadequate reporting functionalities. As a result, the Organization may be exposed to critical risks associated with: (a) errors in the processing of payments, and HR and travel transactions; (b) unreliable financial reporting; (c) incorrect banking information; and (d) misuse of funds.

(4) UNON should clear the backlog of requests from UNEP and UN-Habitat recorded in the Lotus Notes database and process the corresponding transactions in Umoja.

UNON accepted recommendation 4 and stated that it has made a lot of improvements to clear the backlog of travel requests, project expenditure reports, and advance payment requests for UNEP and UN-Habitat. Recommendation 4 remains open pending receipt of evidence that the backlog of requests from UNEP and UN-Habitat recorded in the Lotus Notes database has been cleared and the corresponding transactions in Umoja have been processed.

(5) UNON, in coordination with UNEP and UN-Habitat should: (i) finalize all the expenditure reports; (ii) clear the backlog of open advances for implementing partners and open items in Umoja; and (iii) record all service entry sheets and fund commitments to clear the backlog of project payments in Umoja.

UNON accepted recommendation 5 and stated that it has implemented an integrated approach to manage and clear Accounts Payable open items, which is done as collaboration between UNON Accounts Payable, Treasury, and Accounts teams. Target implementation date is 31 December 2016 in preparation for 2016 financial statements. Recommendation 5 remains open pending receipt of evidence demonstrating the: (i) finalization of expenditure reports; (ii) review and clearance of the backlog of open advances for implementing partners and open items in Umoja; and (iii) recording in Umoja of all service entry sheets and fund commitments to clear the backlog of project payments.

(6) UNON, in coordination with DM, should: (i) address the inefficiencies identified in the procurement processes of the Nairobi-based entities; (ii) submit agreed upon proposals to the Procurement Division; and (iii) establish target dates for resolution of the issues.

UNON accepted recommendation 6 and stated that beginning June 2015, the delegation thresholds for UNON and Procurement Division (PD) officials were modified to expedite and facilitate the

approval process. The change in the delegation thresholds has enhanced the efficiency of the procurement service delivery to Nairobi-based entities. To further improve the efficiency, UNON has been in consultation with PD on additional adjustment to workflow and the delegation. This is expected for finalization by September 2016. Recommendation 6 remains open pending receipt of evidence demonstrating: (i) resolution of the inefficiencies identified in the procurement processes of the Nairobi-based entities; (ii) submission by UNON of agreed upon proposals to PD; and (iii) establishment of target dates for resolution of procurement issues.

(7) DM should address the limitations encountered in the reporting and business intelligence function of Umoja and put in place adequate controls for monitoring data related to the HR functions.

DM accepted recommendation 7 and stated that OHRM started an initiative in September 2015 to develop approximately 150 global standard HR reports in Umoja. An HR Business Intelligence Power User Community has been formed, with representatives from nine offices (including UNON), to accelerate report development and testing. So far, 22 high-priority reports have been developed and 28 more are in progress. Progress of this project has been delayed due to stability and performance issues of the Business Intelligence system. However, OHRM is working closely with the Umoja team to address all issues. Recommendation 7 remains open pending receipt of evidence demonstrating the resolution of the limitations identified in the reporting and Business Intelligence function of Umoja, and the implementation of adequate controls for monitoring data related to HR functions.

(8) DM should strengthen automated controls for travel in the Umoja system and provide the Nairobi-based entities with agreed upon target dates for resolution.

DM accepted recommendation 8 and stated that this recommendation is being addressed by the Umoja Post Implementation Review Task Force. A dedicated team is analyzing travel transactions with a view to providing resolution for each set of issues identified. Recommendation 8 remains open pending receipt of evidence demonstrating the implementation of automated controls for travel in Umoja.

Need to update and complete the benefits realization process

32. According to the Umoja Deployment Guide, OHRM business readiness process consisted of seven pillars to ensure the proper deployment of Umoja. The first two pillars were relevant for the benefit realization process. The first pillar pertained to “Organizational Alignment”, which required offices to resolve organizational issues that could have derived from the implementation of the Umoja solution, including an assessment of any changes to current processes, policies, roles, responsibilities, work volumes, complexities, skills and knowledge of the workforce. The second pillar required the development of a human resources benefits realization plan, which included the reassessment of the benefits model developed in 2009. This pillar also required to translate the agreed benefits into realization plans by office; integrate entity-level realization plans into the budgeting and performance reporting process; and monitor the progress of the realization plan over time using a set of key performance indicators.

33. A consolidated document prepared in November 2014 by UNON, UNEP and UN-Habitat in collaboration with OHRM included an organizational assessment and a detailed description of the human resources roles to be performed by all three entities. However, this document had not been updated since its first version. UNON stated that the outcome of this assessment was never finalized by OHRM.

34. In March 2014, UNON conducted a human resources benefits realization exercise for nine key processes (i.e., contract renewals, dependencies, education grant advance, education grant claims, rental subsidy, sick leave, on-boarding, separation, and consultants and contractors). However, this document had not been updated since its first version. Furthermore, UNEP and UN-Habitat had not initiated the assessment on work volumes, complexities, skills and knowledge requirements after the deployment of Umoja, and were yet to prepare their benefits realization document. UNON stated that it intended to carry out a second round of this exercise once the full set of functionalities designed for the nine processes was implemented.

35. This condition was due to the lack of review of the HR benefits realization process, which may expose the Organization to the risk of not realizing the expected benefits.

(9) UNON, in coordination with UNEP, UN-Habitat, and DM, should update the benefits realization document in accordance with the Umoja deployment guide and human resources benefits model.

UNON accepted recommendation and stated that this exercise was done for nine key processes. Another review will take place after Umoja functionality has been implemented. Recommendation 9 remains open pending receipt of evidence demonstrating that the benefits realization document has been updated in accordance with the Umoja deployment guide and human resources benefits model.

Weakness in the process related to Organizational and Position Management

36. The Umoja Deployment Guide listed 7 change impact documents (CID) for Organizational and Position Management (OM).

37. There were several control weaknesses in OM common to UNON, UNEP and UN-Habitat, as follows:

(i) CID were not analyzed to assess their impact;

(ii) No OM reports were available in Umoja;

(iii) Business Intelligence reporting was not functional. Hence, critical reports (i.e., to monitor vacancies) could not be generated; and

(iv) The process related to the “Extension of Bulk Positions” was applicable to all three entities. However, there was no job aid or clarity among relevant staff members on how to use this process.

38. The following issues were specifically related to UNEP:

(i) Challenges were encountered with user access mapping, with particular regard to Umoja Extension I processes because it was not clear which OM roles should have been mapped to UNEP in contrast to those assigned to UNON;

(ii) The cleansing of OM data in UNEP was not adequately completed because of time constraints and the volume of work. However, UNEP worked in coordination with the Office of Programme Planning, Budget and Accounts (OPPBA) to correct anomalies in the Umoja post go-live; and

(iii) UNEP indicated that although OM was correctly configured, the workflow in Umoja was routing leave requests to incorrect time managers. UNEP received additional guidance from OHRM on how to map time managers to their security liaison officer.

39. In UN-Habitat, the OM Budget Administrator role was granted in Umoja only at a later stage. This condition generated further delays and it required the intervention of OPPBA for every change. The operating model of UN-Habitat required frequent changes in the funding sources of each position, but staff could not implement these changes because they had not received the required access role in Umoja.

40. This condition was due to the inadequate review and assessment of changes related to OM, which may expose the Organization to delays, processing errors and inadequate monitoring controls.

(10) UNON, in coordination with UNEP, UN-Habitat, and DM, should: (i) ensure an adequate analysis and evaluation of change documents and their impact on the current processes, roles, and training needs; (ii) develop reports for the Organizational Management process; and (iii) correct the errors identified in the routing of leave requests.

UNON accepted recommendation 10 and stated that HR CIDs were reviewed pre- and post-Umoja go-live and continue to be revisited as and when additional functionality was introduced. A Business Intelligence team has been put in place and reports are under development centrally. Errors in staff mapping in UNON with regards to the routing of leave request have been resolved. Recommendation 10 remains open pending receipt of evidence demonstrating the: (i) completion of an adequate analysis and evaluation of CIDs and their impact on the current processes, roles, and training needs; and (ii) development of reports for the OM process.

PAYROLL

Need to review and reconcile payroll items

41. The Umoja Deployment Guide listed 11 CID for the payroll process, including reporting functionalities, to ensure that all valid employees would be paid accurately and timely. Payroll employees should be trained in the use of these reports to prevent and detect potential errors (i.e., payment to non-existent or individuals no longer employed).

42. There was a lack of adequate payroll reports which prevented the Payroll Section from:

(i) Providing the list of employees to cost centre managers for validation. Therefore, cost centre managers could not confirm and ensure that only valid employees were paid;

(ii) Reconciling payroll and general ledger data to ensure the integrity of financial information. The “Payroll results not posted report” was not available for review, therefore staff in the Payroll Section could only verify the results of payroll posting by reviewing one staff member at a time, which was inefficient; and

(iii) Using and analyzing critical payroll related audit reports available in Umoja (i.e., Info-type Changes Audit Reports).

43. *DM stated that the UNON payroll team was in New York for two months for training during Cluster 3 implementation. The Payroll Analysis Tool developed by Umoja Business Intelligence and Financial Information Operations Service under the guidance of OPPBA/New York Payroll, was*

specifically for the purpose of doing payroll analysis. The payroll team was trained on the audit log and adequate support is available to these staff.

44. UNON needed to ensure the integrity of financial information by reviewing the payroll results and reconciling open items.

(11) UNON, in coordination with DM, should: (i) conduct a review of payroll results that have not been posted to the general ledger for each pay cycle; (ii) provide a list of employees to cost centre managers for which they are responsible; and (iii) as a matter of priority, reconcile all open payroll items related to August and September 2015.

UNON accepted recommendation 11 and stated that a review of Open Item Management (OIM) general ledger accounts related to payroll is currently under way for 2015. Additionally, one dedicated staff member has been assigned to clear OIMs on a monthly basis, and a procedure has been put in place as of May payroll to provide lists monthly to fund managers along with first lock report through client offices for onward dissemination. Recommendation 11 remains open pending receipt of evidence demonstrating the: (i) completion of review of payroll results that have not been posted to the general ledger for each pay cycle; (ii) provision of a list of employees to cost centre managers for which they are responsible; and (iii) reconciliation of all open payroll items related to August and September 2015.

SYSTEMS SUPPORT

Need to strengthen controls over service desk support and management

45. According to the Umoja Deployment Guide, the system support model was designed to provide efficient processes and necessary expertise for prompt resolution of incidents and requests for services. This model included:

- (i) First-level (Tier 1) local support provided by LPEs and Unite Service Desk Nairobi hub personnel, with a user community of practice; and
- (ii) Second-level (Tier 2a) service desks established in the United Nations Logistics Base in Brindisi to provide operational support and further categorize incidents for escalation to the Umoja Office for resolution by process experts and business analysts (Tier 2B and Tier 3 support).

46. In the area of service desk support, there were some good practices established in UNEP which included the creation of a “Tier-Zero” (Umoja Competency Centre) support team to:

- (i) Log, track and follow issues throughout their entire life-cycle;
- (ii) Disseminate relevant details about the Umoja functionalities and deployment; and
- (iii) Survey staff members’ feedback on Umoja.

47. UNEP, however, had faced some challenges with the connectivity of its offices that were not physically located within - or supported by – the United Nations Secretariat entities (such as those located in Montreal, Abidjan, Paris, Manama and Panama City). UNEP had originally decided to use the connectivity provided by a service provider who had been contracted by the United Nations Secretariat to provide Organization-wide and global connectivity for Umoja. However, UNEP was later informed that

the Umoja system could be accessed using the public Internet infrastructure through a secure protocol. Hence, it appeared that it would not be necessary for UNEP to invest on a specific connectivity solution and incur the corresponding additional expense. At the time of the audit, UNEP reported issues with connectivity and uncertainty about the future accessibility of Umoja by users via the public Internet infrastructure.

48. Inadequate identification and assessment of connectivity arrangements to Umoja for office locations not supported by the United Nations Secretariat entities could lead to inefficiencies and additional expenditures.

(12) UNON, in coordination with DM and UNEP, should review and confirm the arrangements to be established in the long-term for ensuring the connectivity of all UNEP offices to the Umoja system with clear details related to: (i) roles and responsibilities; and (ii) cost implications.

UNON accepted recommendation 12 and stated that all necessary information has been provided to UNEP. UNEP would need to decide the way forward based on their operational requirements. Based on the action taken by UNON, recommendation 12 has been closed.

IV. ACKNOWLEDGEMENT

49. OIOS wishes to express its appreciation to the Management and staff of UNON, UNEP, UN-Habitat and DM for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of Umoja implementation in Nairobi-based entities

Recom. no.	Recommendation	Critical ² / Important ³	C/O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	DM should complete its review of the Umoja implementation issues reported by the Nairobi-based entities and provide them with follow-up guidance as necessary.	Important	O	Receipt of evidence demonstrating that the issues relating to Umoja implementation reported by the Nairobi-based entities have been resolved.	31 December 2016
2	DM should: (i) ensure that training activities for Umoja processes are localized to the target audience; (ii) ensure that training instructions are aligned with the solutions deployed; and (iii) address the issues preventing the formal certification of local process experts and the recognition of other forms of learning.	Important	O	Receipt of evidence demonstrating the: (i) localization of training activities for Umoja processes to the target audience; (ii) training instructions are aligned with the solutions deployed; and (iii) certification of LPE and recognition of other forms of learning.	31 December 2017
3	UNON, in coordination with UNEP, UN-Habitat and DM, should: (i) implement monitoring mechanisms to ensure adequate reconciliation of staff members and user accounts created in Umoja; (ii) review the assignment of roles/accounts when they are inactive for more than a pre-defined period of time; (iii) complete the review of the roles granted to staff that are able to access sensitive HR master data (i.e., employees' bank details) and ensure that their assignment is based on the "need-to-know" principle; and (iv) identify and review the staff members who are eligible but not provisioned with Employee-Self-Service access.	Critical	O	Receipt of evidence demonstrating the: (i) implementation of monitoring mechanisms to ensure reconciliation of staff members and user accounts created in Umoja; (ii) conduct of regular reviews of the assignment of roles/accounts when they are inactive for more than a pre-defined period of time; (iii) conduct of regular reviews of roles granted to staff that are able to access sensitive HR master data; and (iv) identification and review of the accounts of staff members who are eligible but not provisioned with adequate ESS access.	Not provided
4	UNON should (i) clear the backlog of requests from UNEP and UN-Habitat recorded in the Lotus	Important	O	Receipt of evidence that the backlog of requests from UNEP and UN-Habitat recorded in the	31 December 2016

² Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

³ Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁴ C = closed, O = open

⁵ Date provided by UNON and DM in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of Umoja implementation in Nairobi-based entities

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	Notes database and process the corresponding transactions in Umoja.			Lotus Notes database has been cleared and the corresponding transactions in Umoja have been processed.	
5	UNON, in coordination with UNEP and UN-Habitat should: (i) finalize all the expenditure reports; (ii) clear the backlog of open advances for implementing partners and open items in Umoja; and (iii) record all service entry sheets and fund commitments to clear the backlog of project payments in Umoja.	Important	O	Receipt of evidence demonstrating the: (i) finalization of expenditure reports; (ii) review and clearance of the backlog of open advances for implementing partners and open items in Umoja; and (iii) recording in Umoja of all service entry sheets and fund commitments to clear the backlog of project payments.	31 December 2016
6	UNON, in coordination with DM, should: (i) address the inefficiencies identified in the procurement processes of the Nairobi-based entities; (ii) submit agreed upon proposals to the Procurement Division; and (iii) establish target dates for resolution of the issues.	Important	O	Receipt of evidence demonstrating the: (i) resolution of the inefficiencies identified in the procurement processes of the Nairobi-based entities; (ii) submission by UNON of agreed upon proposals to the Procurement Division; and (iii) establishment of target dates for resolution of procurement issues.	30 September 2016
7	DM should address the limitations encountered in the reporting and business intelligence function of Umoja and put in place adequate controls for monitoring data related to the HR functions.	Critical	O	Receipt of evidence demonstrating the resolution of the limitations identified in the reporting and Business Intelligence function of Umoja, and the implementation of adequate controls for monitoring data related to HR functions.	31 December 2017
8	DM should strengthen automated controls for travel in the Umoja system and provide the Nairobi-based entities with agreed upon target dates for resolution.	Important	O	Receipt of evidence demonstrating the implementation of automated controls for travel in Umoja.	31 December 2016
9	UNON, in coordination with UNEP, UN-Habitat, and DM, should update the benefits realization document in accordance with the Umoja deployment guide and human resources benefits model.	Important	O	Receipt of evidence demonstrating that the benefits realization document has been updated in accordance with the Umoja deployment guide and human resources benefits model.	Not provided
10	UNON, in coordination with UNEP, UN-Habitat,	Important	O	Receipt of evidence demonstrating the: (i)	Not provided

STATUS OF AUDIT RECOMMENDATIONS

Audit of Umoja implementation in Nairobi-based entities

Recom. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	and DM, should: (i) ensure an adequate analysis and evaluation of change documents and their impact on the current processes, roles, and training needs; (ii) develop reports for the Organizational Management process; and (iii) correct the errors identified in the routing of leave requests.			completion of an adequate analysis and evaluation of change documents and their impact on the current processes, roles, and training needs; and (ii) development of reports for the OM process.	
11	UNON, in coordination with DM, should: (i) conduct a review of payroll results that have not been posted to the general ledger for each pay cycle; (ii) provide a list of employees to cost centre managers for which they are responsible; and (iii) as a matter of priority, reconcile all open payroll items related to August and September 2015.	Important	O	Receipt of evidence demonstrating the: (i) completion of review of payroll results that have not been posted to the general ledger for each pay cycle; (ii) provision of a list of employees to cost centre managers for which they are responsible; and (iii) reconciliation of all open payroll items related to August and September 2015.	Not provided
12	UNON, in coordination with DM and UNEP, should review and confirm the arrangements to be established in the long-term for ensuring the connectivity of all UNEP offices to the Umoja system with clear details related to: (i) roles and responsibilities; and (ii) cost implications.	Important	C	Action completed.	Implemented

APPENDIX I

Management Response

Management Response

Audit of Umoja implementation in Nairobi-based entities

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	DM should complete its review of the Umoja implementation issues reported by the Nairobi-based entities and provide them with follow-up guidance as necessary.	Important	Yes	Umoja PMO Lead	31 December 2016	<p>The Umoja Post Implementation Review (UPIR) Task Force is actively engaged in the resolution of issues. The Umoja office is monitoring and reporting weekly on the progress.</p> <p>The monitoring of the UPIR actions is a regular item on the agenda of the weekly OUSG/DM Executive Management Group meetings chaired by the Under-Secretary-General for Management.</p>
2	DM should: (i) ensure that training activities for Umoja processes are localized to the target audience; (ii) ensure that training instructions are aligned with the solutions deployed; and (iii) address the issues preventing the formal certification of local process experts and the recognition of other forms of learning.	Important	Partial	Umoja PMO Lead Umoja Training Coordinator	31 December 2017	<p>(i) Umoja has led the effort to coordinate the training approach with OHRM and the respective local training entities and to build capacity of Local Process Experts (LPEs) who can train locally. See (iii) below.</p> <p>(ii) Not accepted – training materials are regularly updated to reflect any changes in the solution. Refer Change Control process.</p>

¹ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

² Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

Management Response

Audit of Umoja implementation in Nairobi-based entities

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>(iii) Accepted - The effort to build capacity and certify local process expert trainers is in progress with several training sessions being planned for 2016. The LPE programme under the Umoja Academy has been redesigned:</p> <ul style="list-style-type: none"> a. To target experienced transactional users and/or existing LPEs; b. To focus on end-to-end processes, integration with other Umoja modules, reporting and analysis and trouble-shooting; and c. To create integrated learning programmes with modules that have synergies. The success criteria to become a Certified LPE in a functional area is to successfully complete three assessments at the end of the two-week programme.
3	UNON, in coordination with UNEP, UN-Habitat and DM, should: (i) implement monitoring mechanisms to ensure adequate reconciliation of staff members and user accounts created in Umoja; (ii) review the assignment of	Critical	Yes	Acting Chief HRMS	Implemented	<p>UNON considers this recommendation closed.</p> <ol style="list-style-type: none"> 1. Staff roles are provisioned when a staff member joins an entity, changes roles / department. When a staff

Management Response

Audit of Umoja implementation in Nairobi-based entities

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	<p>roles/accounts when they are inactive for more than a pre-defined period of time; (iii) complete the review of the roles granted to staff that are able to access sensitive HR master data (i.e., employees' bank details) and ensure that their assignment is based on the "need-to-know" principle; and (iv) identify and review the staff members who are eligible but not provisioned with Employee-Self-Service access.</p>					<p>member moves roles the SLO reviews their complete umoja profile and consults the old and new sections chiefs with regards to modification of mapping requirements and adjustments are made accordingly. When a staff member separates the SLO is automatically informed via email once the off-boarding process is initiated. A monthly report is also generated monthly and sent to all SLO's listing all staff that have retired / separated / transferred so that their transactional roles can be deprovisioned. Staff require access to their ESS roles for 1 month after separation / retirement, NYHQ is creating an automatic trigger for the deprovisioning of CR.01</p> <ol style="list-style-type: none"> 2. NYHQ are developing a BI report that can be run to identify inactive accounts for deprovisioning purposes 3. A Report of all staff mapped to HR master roles will be shared with Service Chiefs to review. 4. All staff are provisioned ESS access by HR Partners as part of a new staff members onboarding; consultants and

Management Response

Audit of Umoja implementation in Nairobi-based entities

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>individual contractors are not granted access. Access will be granted to all identified eligible staff.</p> <p>DM is currently in the process of developing BI reports for the monitoring of staff members and user accounts. Locally a monthly report of staff that have retired / separated / relocated is run and shared with SLO's for deprovisioning. ii) SOPs are currently being developed by NYHQ DM, and BI reports, for monitoring the use of roles/accounts iii) the review of roles of all staff is on-going, only staff performing financial and HR roles have access to sensitive HR Master Data iv) staff are mapped to ESS as part of their on-boarding process by HR partners. Access is not granted to consultants, or staff recruited on UNOPS or UNDP unless an exception has been granted.</p>
4	UNON should clear the backlog of requests from UNEP and UN-Habitat recorded in the Lotus Notes database and process the corresponding transactions in Umoja.	Important		Chief Accounts Section, BFMS	31 December 2016	<p>UNON has made a lot of improvements to clear the backlog of travel requests, project expenditure reports, and project IP advance payment requests for UNEP and UN-Habitat. The status as of June 2016 is as follows:</p> <p>a. Travel expense reports approval :</p>

Management Response

Audit of Umoja implementation in Nairobi-based entities

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>Currently pending approval are travel expense reports submitted in June 2016; except for 100+ from prior months which have work-flow problems preventing approvals. Target KPI for travel expense report approval is 2 weeks from submission dates. Target implementation date is from 1 July 2016.</p> <p>b. Project IP Advance payment requests : Currently pending in process are requests submitted in May-June 2016; except for 40+ from prior months which will be prioritized next week. UNON has trained UNEP and UN-Habitat AP Users to create the requests directly in Umoja for UNON approval (eliminating/reducing the use of Lotus Notes portal). Target KPI for requests approval submitted directly in Umoja is 1 week from submission dates. Target KPI for requests submitted in Lotus Notes portal for UNON to process is 3 weeks from submission dates. Target implementation date is from 1 August 2016.</p> <p>c. IP Expenditure and IP Advance clearing requests : Currently pending in process are requests submitted in January to June 2016; except for 40+ from 2015 which will</p>

Management Response

Audit of Umoja implementation in Nairobi-based entities

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>be prioritized next month. UNON has trained UNEP and UN-Habitat AP Users to create the requests directly in Umoja for UNON approval (eliminating/reducing the use of Lotus Notes portal). Target KPI for requests approval submitted directly in Umoja is 1 week from submission dates. Target KPI for requests submitted in Lotus Notes portal for UNON to process is 3 weeks from submission dates. Target implementation date is from 1 September 2016.</p> <p>d. Consultant payments : There is no current backlog. CIC payments are processed through the Evaluated Receipt Settlement mechanism, the MRRL batch is run twice a month to pay all Service Entry Sheets accepted in Umoja. Current KPI is 2 weeks from SES acceptance. Implementation Date is since February 2016.</p> <p>e. OAH Vendor payments : There is no current backlog. UNON has trained UNEP and UN-Habitat AP Users to create the requests directly in Umoja for UNON approval. Target KPI for requests approval submitted directly in Umoja is 1 week from submission dates. Implementation Date is since October 2015.</p>

Management Response

Audit of Umoja implementation in Nairobi-based entities

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						<p>f. Nairobi Vendor payments : Currently pending in process are vendor invoices for 2016; except for 30+ 2015 invoices that were submitted late in 2016. UNON has implemented a work flow application to facilitate work flow, communication and problem identification between all Umoja roles involved with Nairobi commercial vendors, from the upstream process to the payments to vendors. Target KPI for end-to-end process is 4 weeks from the invoice receipt date. Target KPI for payments approval is 1 week from SES acceptance. Target implementation date is from 1 October 2016.</p> <p>g. AP Open Items : AP Open Item management should be included as part of the work plan for accounts payable process, as the clearing of open items is part of the quality control of accounts payable process.</p>
5	UNON, in coordination with UNEP and UN-Habitat should: (i) finalize all the expenditure reports; (ii) clear the backlog of open advances for implementing partners and open items in Umoja; and (iii) record all service entry sheets and fund commitments to clear the backlog of project payments in Umoja.	Important		Chief Accounts Section, BFMS	31 December 2016	UNON has implemented an integrated approach to manage and clear AP open items, which is done as a collaboration between UNON Accounts Payable, Treasury, and Accounts teams. Target implementation date is by 31 December 2016 in preparation for 2016 Financial Statements.

Management Response

Audit of Umoja implementation in Nairobi-based entities

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
6	UNON, in coordination with DM, should: (i) address the inefficiencies identified in the procurement processes of the Nairobi-based entities; (ii) submit agreed upon proposals to the Procurement Division; and (iii) establish target dates for resolution of the issues.	Important	Yes	OIC, Procurement Section	30 September 2016	Beginning June 2015, <u>the delegation thresholds for UNON and PD officials were modified</u> with aim to expedite and facilitate approval process. The change in the delegation thresholds has enhanced the efficiency of the procurement service delivery to Nairobi-based entities. To further improve the efficiency, UNON has been in consultation with PD NY on additional adjustment to workflow and the delegation. This is expected for finalization by end of Q3 2016.
7	DM should address the limitations encountered in the reporting and business intelligence function of Umoja and put in place adequate controls for monitoring data related to the HR functions.	Critical	Yes	Umoja Business Intelligence; Human Resources Process Lead	31 December 2017	
8	DM should strengthen automated controls for travel in the Umoja system and provide the Nairobi-based entities with agreed upon target dates for resolution.	Important	Yes	OCSS Principal Process Expert Umoja PMO Lead	31 December 2016	This recommendation is being addressed by the Umoja Post Implementation Review –Task Force. A dedicated team is analyzing travel transactions with a view to providing resolution for each set of issues identified.
9	UNON, in coordination with UNEP, UN-Habitat, and DM, should update the benefits realization document in accordance with the Umoja deployment guide and human resources benefits model.	Important		Acting Chief HRMS	To be determined by UNHQ	This exercise was done for nine key processes. Another review will take place after Umoja functionality has been implemented, e.g., ESS for ed-grant processing and updating of banking details, MSS for contract

Management Response

Audit of Umoja implementation in Nairobi-based entities

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						extensions, etc.
10	UNON, in coordination with UNEP, UN-Habitat, and DM, should: (i) ensure an adequate analysis and evaluation of change documents and their impact on the current processes, roles, and training needs; (ii) develop reports for the Organizational Management process; and (iii) correct the errors identified in the routing of leave requests.	Important		Acting Chief HRMS	i.- ii ongoing iii implemented	<p>HR change impact documents (CIDs) were reviewed pre- and post-Umoja go-live and continue to be revisited as and when additional functionality introduced.</p> <p>BI team put in place and reports under development centrally; Nairobi is part of an OHRM working group focusing on the development of HR reports.</p> <p>Errors in staff mapping in UNON with regards to the route of leave request have been resolved. Significant work has been undertaken to review the org structure of units, and their respective mapping to ensure that leave routing issue have been rectified.</p>

Management Response

Audit of Umoja implementation in Nairobi-based entities

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
11	UNON, in coordination with DM, should: (i) conduct a review of payroll results that have not been posted to the general ledger for each pay cycle; (ii) provide a list of employees to cost centre managers for which they are responsible; and (iii) as a matter of priority, reconcile all open payroll items related to August and September 2015.	Important		Acting Chief HRMS	Measures put in place and process is ongoing	A review of OIM (Open Item Management) general ledger accounts related to payroll are currently under way for 2015. Additionally, one dedicated staff member has been assigned to clear OIMs on a monthly basis, and a procedure has been put in place as of May payroll to provide lists monthly to fund managers along with first lock report through client offices (OfO & OM) for onward dissemination.
12	UNON, in coordination with DM and UNEP, should review and confirm the arrangements to be established in the long-term for ensuring the connectivity of all UNEP offices to the Umoja system with clear details related to: (i) roles and responsibilities; and (ii) cost implications.	Important		Chief, ICTS	Implemented	UNON considers this recommendation closed as we have provided all necessary information to respective UNEP offices. See attached annexes i) UNEP Billing and ii) UNEP Disconnections.