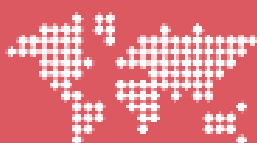


THEMATIC AUDIT

INTERNAL AUDIT OF INDIVIDUAL  
CONSULTANT MANAGEMENT IN  
UN WOMEN



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# INTERNAL AUDIT OF INDIVIDUAL CONSULTANT MANAGEMENT IN UN WOMEN



**INDEPENDENT EVALUATION AND AUDIT SERVICES (IEAS)**

Internal Audit Service (IAS)

UN WOMEN

10 November 2021

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# Executive Summary

Individual consultants are an important part of the UN Women workforce and crucial to the achievement of UN Women's mandate. UN Women regularly engages consultants to augment the capacity of its existing staffing structure. In general, UN Women offices are allowed to hire consultants to perform results-based assignments that require expertise or specialized knowledge and that cannot be performed by the current workforce. Therefore, it is important to recruit the appropriate number and calibre of consultants who can deliver the greatest impact and value for money. It is also important to ensure that policies and processes adequately protect UN Women from risks and ensure that the required professional services are available when needed.

As part of the risk assessment for its 2019–2021 multi-year audit plan, the UN Women Internal Audit Service (IAS) identified individual consultants (hereafter referred to as “consultants”) as a high inherent risk area due to the relative materiality of expenditure on individual consultancies to UN Women's annual budget, as well as UN Women's significant use of consultants in delivering its programmes.

## Audit objective and scope

The internal audit objective was to assess whether UN Women manages its consultants under the Special Service Agreement (SSA) modality in an effective and efficient manner. The internal audit covered the following areas:

- **Effectiveness of governance arrangements** in defining ownership and accountability for the design and implementation of the SSA Policy, its alignment with the UN Women Internal Control Framework, Delegation of Authority and the three lines of defence concept.
- **Adequacy the policy, procedure and guidance (PPG) framework design** for consultants in promoting efficiency and effectiveness while ensuring that key risks associated with consultants are properly addressed.

- **Efficiency of the consultant management process** from recruitment to termination; cost–benefit analysis of controls versus risks; completeness of global reporting/monitoring; and process performance indicators such as recruitment lead times, total costs, consultant performance measurement and on/offboarding.
- **Effectiveness of existing controls** (SSA Policy and other related PPG) to ensure that consultants' work contributes to organizational priorities; the modality of engagement is not misused; and consultant performance is monitored and managed throughout the duration of the engagement, so their services and products represent value for money.

IAS also reviewed the effectiveness of the Vendor-Contracted Consultant modalities as some functions and offices rely heavily on the consultants provided to UN Women by third-party vendors.

The internal audit reviewed SSAs signed during the period 1 January 2019 through 31 August 2020. The Internal Audit Service (IAS) followed the *International Standards for the Professional Practice of Internal Auditing* in conducting this audit.

## Audit opinion and overall audit rating

The HR Division has capitalized on the corporate OneApp management information system to enhance headquarters and field offices' monthly reporting on consultants which provides snapshot data on the total number of consultants employed by UN Women. In addition, the HR Division is exploring the potential of using the #NextGenERP project to improve the overall monitoring of consultants and, in coordination with other UN agencies such as the United Nations Development Programme (UNDP), the possibility of adopting a separate, more appropriate modality for long-term consultants. Regional Human Resources Business Partners (HRBPs) provide field offices with more accessible expertise, professional guidance and advice.

IAS concluded that the consultant management process in UN Women was not

adequately designed or effectively governed and overseen to ensure that consultants are engaged in the most appropriate and cost-effective way. IAS assessed consultant management in UN Women as **Major Improvement Needed**, meaning “the assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.” The rating was mainly due to improvements required in the following areas:

- **Governance arrangements** for consultant management were not effective, in particular, the need for (a) improved reporting and enhanced monitoring tools, so that the HR Division and Senior Management have complete information on accumulated statuses, degree of reliance and costs of consultancies for better HR planning, business continuity and potentially more cost-effective and fair resource allocation; and (b) improved oversight and professionalization of the fully decentralized consultant management process so that the HR Division and Senior Management can rely on trained hiring personnel and their supervisors respecting key principles outlined in corporate policy. Reliance on non-staff personnel, including individual consultants, could be indicative of a chronic or systemic gap in staffing. The report of the Advisory Committee on Administrative and Budgetary Questions brought this issue to **the attention of the Executive Board during September 2021 session**<sup>1</sup>. The report stated that “The Advisory Committee notes again with concern that the percentage of UN-Women’s non-staff personnel is on the increase and expects that efforts to address this trend and reduce reliance on such personnel, both at headquarters and the field will be prioritized, The Committee trusts that progress towards this end will be reported in the context of the implementation of the integrated budget report for the biennium 2022-2023.”
- **Inadequate policy framework** with a need to (a) revise the SSA Policy to align with good practices across UN agencies, be risk-focused and include value-for-money, anti-fraud and anti-corruption aspects; and (b) establish a policy for Vendor-Contracted Consultants (VCCs) and ensure that this modality is not used to bypass the SSA Policy, e.g. recruitment process, fees or duration of contracts, etc.

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<sup>1</sup> [UNW/2021/CRP.8](#)

- **Efficiency of process** with the need to (a) finalize separation of consultant recruitment from procurement which should be moved to an HR module in the forthcoming #NextGenERP and have tailored cost-effective controls to manage specific consultants risks; (b) revisit the potential of a central rosters to increase access and accelerate the recruitment process of consultants already cleared in the system; (c) make hiring managers in headquarters and field offices aware, through a community of practice and/or by incorporating provisions into an end-to-end process workflow of existing standard onboarding, induction and offboarding processes so that consultants have sufficient knowledge, reduced learning curve of key requirements and processes in UN Women; and (d) that information (working papers and reports) generated by consultants, equipment and expected outputs are handed over prior to termination of contracts.
- **Effectiveness of controls** with a need to enhance compliance with existing controls and obtain best value for money in engaging (sometimes quite expensive) consultants and to (a) include in consultants’ Terms of Reference clear expectations and SMART performance indicators linked to office or project workplans and evaluate their performance according to these specific indicators; (b) improve documentation of candidate selection to ensure it is transparent and competitive; (c) limit the submission of post facto contracts (this exception to the SSA Policy should be tracked in the HR monitoring system) by better planning and monitoring of contract end dates by hiring managers; and (d) consider best value-for-money in setting consultant rates, in particular aligning rates to the required level of expertise outlined in well-crafted terms of reference rather than seniority or with prior honorarium. Determination of remuneration and negotiations with candidates, if possible, should be conducted by the HR function rather than hiring managers (subject to feasibility and additional capacity in the HR Division).

IAS made 15 recommendations and one advisory note to address the above areas for improvement. Four recommendations are ranked high priority and 11 are medium priority. IAS recommends that ***the HR Division develop an action plan accompanied with the resources required to implement it, noting the actions to be taken as part of the division’s existing workplans and responsibilities in the accountability framework, as well as the actions which will require additional resources. This action plan and resource estimates should be presented to the Business Review Committee***

***(BRC) for its consideration and recommendation on the allocation of necessary resources for Executive Leadership Team decision.***

High priority means “prompt/urgent action is required to ensure that UN Women is not exposed to very high or high risks. Failure to take action could result in significant/major negative consequences for UN Women.” The high priority recommendations are presented below.

**Recommendation 1 (High):** The Director, Human Resources, in coordination with the respective Regional Directors and Human Resources Business Partners, to: enhance overall arrangements related to the policy for overseeing and monitoring the consultant management process; strengthen and stabilize HR capacity across the organization; and formalize the HR Division’s accountability as policy owner. In particular:

- (a) Conduct a functional analysis in HR units across UN Women to take stock of processes and business priorities and allocate sufficient resources to the consultant policy oversight and monitoring role.
- (b) Regularize and standardize terms of reference/job descriptions and functions, and define minimum qualifications for personnel in charge of HR processes, specifically those who are directly involved in processing SSAs.
- (c) Strengthen the capacity of non-HR personnel executing HR processes at headquarters and in the field through training.
- (d) Channel requests related to HR through a HR community of practice, including specific guidance and advice on consultant management.

In an environment of limited resources, the HR Division should consider the cost/benefit of potential options for retaining policy advice and monitoring within the UN Women HR Division while potentially moving the processing function to either an organized Global Shared Service Centre(s) or outsourcing the consultant management process to another agency (e.g. the United Nations Office for Project Services [UNOPS], the United Nations Development Programme [UNDP] or common back offices through the Business Operations Strategy).

**Recommendation 2 (High):** Taking the opportunity from the Atlas #NextGenERP

project, the Director, HR to (a) consider migrating consultant transactional processing to the HR Module in Oracle with possible global automation of manual recruitment, on/offboarding and performance evaluation processes; and (b) explore expanding the monitoring and reporting functionality to allow a better overview of contract value over a period of time and performance indicators for the end-to-end process.

**Recommendation 14 (High):** The Director, Human Resources to:

- (a) Mandate Heads of Office to ensure that supervisors store and protect consultants’ files properly using SharePoint, where needed asking the Information Systems and Telecommunications Section for assistance; and
- (b) Disseminate through Community of Practice the existing checklist with mandatory documents to be filed.

**Recommendation 15 (High):** The Director, Division of Management and Administration, in consultation with the Director, HR, to:

- (a) Better define the VCC modality in relevant policy.
- (b) Establish clear guidelines on when to engage VCCs and how to properly manage the vendors (including under LTA) and the subcontracted consultants, to ensure that UN Women’s interests and the interests of the personnel recruited by vendors are protected, and that best value for money is derived from VCC arrangements.
- (c) For those reported cases, consider more appropriate personnel modalities to engage VCCs at headquarters.

In addition, IAS made 11 medium (important) priority recommendations, meaning “action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women”. These mainly relate to: (a) enhancing SSA Policy design; (b) improving the recruitment process through proper design of terms of reference, increased transparency, a better roster system and effective candidate evaluation; and (c) ensuring value for money through better performance and contract management, and setting of fee structures.

Low priority issues are not included in this report. These issues, if identified, were discussed directly with management and actions have been initiated to address them.

## Management comments and action plan

Management accepts the recommendations and has provided an action plan which has been attached to this report.

A light blue rectangular box containing a handwritten signature in black ink.

Lisa Sutton, Director  
**Independent Evaluation and Audit Services**

## ACRONYMS AND ABBREVIATIONS

<b>DMA</b>	Division of Management and Administration
<b>DoA</b>	Delegation of Authority
<b>DSA</b>	Daily Subsistence Allowance
<b>FAO</b>	Food and Agriculture Organization
<b>FMS</b>	Finance Management Section
<b>FTA</b>	Fixed-term Appointment
<b>GSSC</b>	Global Shared Services Centre
<b>HRBP</b>	Human Resources Business Partner
<b>IAS</b>	Internal Audit Service
<b>ICF</b>	Internal Control Framework
<b>ICT</b>	Information and Communications Technology
<b>IST</b>	Information Systems and Telecommunications Section
<b>LTA</b>	Long-term Agreement
<b>NOC</b>	National Professional Officer level C
<b>PPG</b>	Policy, Procedure and Guidance Framework
<b>PRC</b>	Procurement Review Committee
<b>SLA</b>	Service Level Agreement
<b>SMART</b>	Specific, Measurable, Attainable, Relevant and Time-Bound
<b>SPRED</b>	Strategy, Planning, Resources and Effectiveness Division
<b>SSA</b>	Special Services Agreement
<b>TOR</b>	Terms of Reference
<b>UNDP</b>	United Nations Development Programme
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>UNICEF</b>	United Nations Children's Fund
<b>UNJSPF</b>	United Nations Joint Staff Pension Fund
<b>UNOPS</b>	United Nations Office for Project Services
<b>UNV</b>	United Nations Volunteer
<b>VCC</b>	Vendor-Contracted Consultant



## I. INTRODUCTION

As part of the risk assessment for its 2019–2021 multi-year audit plan, the UN Women Internal Audit Service (IAS) identified individual consultants (hereafter referred to as “consultants”) as a high inherent risk area due to the relative materiality of expenditure on individual consultancies to UN Women’s annual budget as well as UN Women’s significant use of consultants in delivering its programmes.

Total individual consultancies from 1 January 2019 to 31 December 2020 amounted to US\$ 100.3 million,<sup>2</sup> or approximately 12 per cent of the combined 2019 and 2020 UN Women’s total expenditure of US\$ 836.3 million.<sup>3</sup> The combined spending of the 10 headquarters departments with the highest spending on consultancy fees accounted for 14.7 per cent of total individual consultancy fees, which includes the Peace and Security section, UN Trust Fund to End Violence Against Women, Research and Data, Resource Mobilization and UN System Coordination divisions. The combined spending of the 10 field offices with the highest spending in this area accounted for 26.5 per cent, which includes country offices in Colombia, Ethiopia, Iraq, Jordan, Yemen, Guatemala, Uganda and Regional Offices for Asia and the Pacific, Arab States and Europe and Central Asia.

Consultants are an important part of the UN Women workforce and crucial to the achievement of UN Women’s mandate. UN Women’s programmes depend on the quality of services provided by consultants, who are engaged for their expertise and specialized knowledge. Therefore, it is important to recruit the appropriate number and calibre of consultants who can deliver their work on time, at an agreed cost and quality. It is also important to ensure that policies and processes adequately protect

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<sup>2</sup> Atlas AAA report: Total expenditure charged to 71205 (International Consultant – Tech), 71210 (International Consultant – Support), 71305 (Local Consultant – Tech), 71310 (Local Consultant – Support).

<sup>3</sup> Total expenditure for 2019 (US\$ 420.9 million) and 2020 (US\$ 415.4 million) according to the audited financial statements and Atlas AAA report, respectively.

UN Women and the consultants that it engages from significant risks and ensure that the required professional services are available when needed.

## II. BACKGROUND

UN Women regularly engages consultants to augment the capacity of its existing staffing structure. In general, UN Women offices are allowed to hire consultants to perform results-based assignments that require expertise or specialized knowledge and that cannot be performed by the current workforce. Consultants can be local (a citizen or permanent resident in the country of duty station) or international (a non-citizen or non-resident in the country of duty station). Regardless of their origin, individual consultants are contracted through a Special Services Agreement (SSA). The Policy, Procedure and Guidance (PPG) Framework defines an SSA as a “legal instrument used for the procurement of services provided by a person engaged by UN Women, in his/her individual capacity, to provide expert services, advisory services, technical skills or knowledge for the performance of a specific task or piece of work.” An SSA is governed solely by its expressed terms, including the Terms of Reference (TOR) and General Conditions for SSA as issued by UN Women. An SSA cannot be governed by national legislation in the countries where UN Women operates.

Consultants are non-staff personnel, i.e. according to SSA Policy 5.9 there is “No Employer/ Employee Relationships”, consultants are not staff members and are not governed by the Regulations and Rules of the United Nations. As such, they cannot be given approving or signing authority, or the legal right to commit or bind UN Women into any legal and/or financial agreement. Consultants who physically work in UN Women offices are given access to assets, data and systems that are available to staff members, while those working exclusively offsite only have limited access to certain applications (e.g. email, Intranet, SharePoint, OneDrive). Table 1 summarizes the different personnel categories and the major similarities and differences between them.

**Table 1: Personnel categories in UN Women**

Personnel categories	Snapshot as of 25 March 2021 <sup>4</sup>	Nationality	Allowed duration	Duty Station	Major benefits
<b>Staff:</b> Fixed-term or Permanent Appointment	1,117	Local and international	Initially one year with subsequent extensions up to two years subject to funding	All duty stations	Tax-exempt salary or subject to reimbursement (UN salary scale), subject to internal staff assessment All types of leave (annual leave, sick leave, etc.) Participation in United Nations Joint Staff Pension Fund (UNJSPF) Health insurance and After Service Health Insurance Rental subsidy (International staff) Dependency allowance Mobility incentive and hardship allowance depending on duty station category (International staff) Settling-in grant (lump sum plus daily subsistence allowance [DSA] portion for staff member and family) (International staff)
<b>Staff:</b> Temporary Appointment	78	Local and international	Not exceeding 364 days (initial appointment), possible extension of one year to maximum of 729 days	All duty stations	Tax-exempt salary or subject to reimbursement (UN salary scale), subject to internal staff assessment Most types of leave Participation in UNJSPF after six months of uninterrupted service Health insurance (contract duration at least three months) Rental subsidy (International staff) Dependency allowance Hardship allowance but no mobility incentive (International staff) Settling-in grant (lump sum plus DSA portion for staff member only) (International staff)
<b>Non-staff:</b> Service Contractors	983	Local only	Minimum of six months; renewable, but not more than 12 months at a time	<b>Only in the field</b> (cannot be used at headquarters or liaison offices)	Taxable contract fees (based on local market), responsible for own taxes Some types of leave (annual leave, sick leave one day/month) in accordance with local practice but not less than one day of sick leave/month National or private pension scheme (may be added to compensation subject to conditions) National medical scheme or local private scheme (UN Women pays premium provided it is lower than that for local staff members under Fixed-term Appointment/Permanent Appointment)
<b>Non-staff:</b> United Nations Volunteers (UNV)	243	Mostly International	Minimum of 12 months	All duty stations	Monthly living allowance All types of leave (annual leave, sick leave) No pension scheme Medical insurance (UNV and family members relocated with UNV) Accommodation supplement (instead of rental subsidy) Family allowance Well-being differential (instead of hardship allowance) Settling in grant (lump sum only, no DSA for UNV or family members)
<b>Non-staff:</b> Consultants on Special Service Agreement	763 <sup>5</sup>	Local and international	One day to a maximum of three years	All duty stations	Taxable contract fees, responsible for own taxes No additional benefits

<sup>4</sup> OneApp Personnel dashboard as of 25 March 2021.

<sup>5</sup> Based on OneApp data (snapshot data, versus total number of consultants (vendor names) of 2,548 in 2019 and 2,610 in 2020 based on Atlas data on purchase orders).

Under the SSA Policy, the following uses of consultants are considered **incorrect**:

- As a stop-gap measure, such as filling posts temporarily vacated by UN Women staff on any form of absence or leave (annual, home, maternity, etc.) or when recruitment of a new staff member for an existing post is taking longer than usual. IAS notes that temporary staff placements, such as detail assignments or extended missions, could be used for this purpose. However, this approach could incur significant travel-related expenditure for hiring units, such as flight costs and DSA. As discussed in the IAS [Audit of Temporary Staff Placements](#), this modality can also negatively affect the operations and/or programmatic delivery of the releasing units.
- As a cost-saving measure to fill regular and continuing functions in an office.
- As a means to reinstate a staff member whose previous post/function has been abolished.
- As a means to place a staff member on a short-term probationary period, even if a competitive selection process has been completed, prior to confirming the staff member's appointment to a fixed-term contract or other contract modality.
- On an experimental basis, when an office would like to determine whether a particular post/function should be made a regular post/function.

## DATA OVERVIEW

As of 25 March 2021 (a snapshot overview), UN Women had a total workforce of 3,184, consisting of 1,195 staff members on Permanent, Fixed-term or Temporary Appointments, and 1,989 non-staff personnel. Of the 1,989 non-staff personnel, 763, or approximately 24 per cent of the total workforce, were consultants on SSAs. A total of 196 consultants were engaged at headquarters, and 567 at field offices.

Table 2 shows the number of SSAs issued by UN Women from 1 January 2019 to 31 December 2020 (**initial contract and each amendment are counted separately**) and the corresponding consultancy fees.

**Table 2. POs for consultants and consultancy fees at headquarters and field offices**

	2019		2020	
	Number of POs raised	Consultancy fees, US\$	Number of POs raised	Consultancy fees, US\$
Headquarters	717	11,215,763	652	12,589,260
Field offices	3,365	36,579,719	3,500	39,926,533
Combined	4,082	47,795,482	4,152	52,515,793

Source: Atlas AAA report 2019 & 2020 for the consultancy fees, Atlas PO report for number of POs raised

## III. AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

The main objective of the audit was to assess whether UN Women manages its consultants under SSA modality in an effective and efficient manner.

The audit addressed the overall question “Does the consultant management process ensure that greatest impact and value for money is achieved?” The scope of the audit included the following areas:

- **Effectiveness of governance arrangements** in defining ownership and accountability for the design and implementation of the SSA Policy, its alignment with the UN Women Internal Control Framework, Delegation of Authority and the three lines of defence concept.
- **Adequacy of policy, procedure and guidance** (PPG) framework design for consultants in promoting efficiency and effectiveness while ensuring that key risks associated with consultants are properly addressed.
- **Efficiency of the consultant management process** from recruitment to termination; cost-benefit analysis of controls versus risks; completeness of global reporting/monitoring; and process performance indicators such as recruitment lead time, total costs, consultant performance measurement and on/offboarding.

- **Effectiveness of existing controls** (SSA Policy and other related PPG) to ensure that consultants' work contributes to organizational priorities; the modality of engagement is not misused; and consultant performance is monitored and managed throughout the duration of the engagement so their services and products represent value for money.

This internal audit focused on the risks identified in the management of consultants based on control testing of sampled transactions during the period from 1 January 2019 to 31 August 2020. Due to the fragmentation of data in various systems, other costs, such as travel-related expenses and DSA paid to consultants, were also excluded, even though they form part of the total cost of hiring consultants.

IAS also reviewed the effectiveness of the Vendor-Contracted Consultant modalities as some functions and offices rely heavily on the consultants provided to UN Women by third-party vendors.

IAS followed the *International Standards for the Professional Practice of Internal Auditing* in conducting this audit.

The audit work consisted of reviews of documents and systems, and interviews and discussions with staff at headquarters and in Country and Regional Offices. IAS also conducted benchmarking of good practices across UN agencies. The audit reviewed 66 consultants, covering more than 130 purchase orders as samples of individual transactions which were selected based on an analytical review of reports and professional judgment. However, as a result of the COVID-19 pandemic and the lack of electronic and/or systematic record keeping, many offices were unable to submit complete sets of the required documents, resulting in a limited review of those cases. The audit initially planned to review 310 purchase orders; however, complete documentation of only 130 purchase orders was received. Despite repeated follow-up, some of the required documents were not submitted, resulting in the corresponding tests left unfulfilled. IAS performed tests of transactions based only on the documents that were provided. The sample transactions mainly focused on risks and weaknesses in the state of internal controls.

IAS also used its [Summary Report on Meta-Synthesis of Results From Field Office Audits](#) to consolidating its findings on SSA management observed during field audits.

## IV. AUDIT RESULTS

### PROGRESS AND ACHIEVEMENTS

The HR Division has made considerable progress in updating the SSA Policy, which is expected to be finalized based on input from stakeholders, managers and this audit to address identified gaps and reduce inconsistencies in policy interpretation. The HR Division is also considering applying a mutual recognition policy for adopting a separate, more appropriate modality for short and long-term consultants (being developed by UNDP), i.e. those with fixed rates instead of output-based engagements and those which can also be used to backfill staff functions.

Through regional Human Resources Business Partners (HRBPs), field offices can access expertise, professional guidance and advice without consulting directly with the HR Division at headquarters, which entails a longer waiting time due to the volume of requests received. To improve reporting on consultants, the HR Division took the initiative in training, monitoring, reminding and regularly following up with field offices. It also carried out data cleaning for field offices to ensure accurate monthly reporting on consultants through OneApp Personnel Validation. In addition, the HR Division is exploring the potential of utilizing the #NextGenERP project to improve the overall monitoring of consultants.

### OVERALL CONCLUSION

In observing the staffing structure of audited offices and units, IAS noticed heavy reliance on non-staff personnel, both at headquarters and in the field. At headquarters, 196 of 570 personnel (34 per cent) are consultants, including those who perform work that could in some cases be considered staff duties. In field offices, 567 of 2,614 personnel are consultants (22 per cent), and 983 personnel are on Service Contracts (38 per cent).

Based on existing policy, the Service Contractor<sup>6</sup> modality cannot be used at headquarters. Therefore, the only modalities that can be used at headquarters are Special Service Agreements (SSAs) for non-staff personal and vendor-contracted consultancies (VCCs) – which is considered an outsourced service to third parties, responsible for providing qualified personnel to deliver certain tasks, e.g. IT help desk, facilities etc. Some consultants have been continuously renewed over the years by using the minimum break in service and then re-engaging the consultant for the same function. Consultants do not have any employment benefits, nor do they have a clear path to becoming staff members. Engaging some individuals on SSAs for a long period of time may not be fair or equitable given the lack of benefits and entitlements that SSAs received compared to the entitlements that staff members receive. The SSA modality is a flexible and lower cost means of engaging HR capacity; however, it may not always be sustainable in terms of accumulated institutional knowledge and business continuity.

Reliance on non-staff personnel could be indicative of a chronic or systemic gap in staffing, an issue which was brought **to the attention of the Executive Board during the session in September 2021** by the report of the Advisory Committee on Administrative and Budgetary Questions, which requested that, as a priority, efforts be made to reduce reliance on non-staff personnel. **This situation may also link, at least in part, to UN Women's resource allocation process and to the need for programme managers to better focus and prioritize within existing resource envelopes.** Better contractual arrangements for long-term consultants should also be considered to make them equitable to other personnel, based on the practices of some UN agencies.

#### Advisory Note:

IAS strongly advises that the HR Division Director, in close collaboration with SPRED, analyse the use of consultants within individual divisions or offices to identify the

<sup>6</sup> Service contract (SC) is a modality used for hiring local non-staff personnel at field offices for development projects and non-core support services that would normally be outsourced to a company.

chronic or systemic gap in those divisions/offices and assess the possibility of normalizing any long-term functions. This analysis will assist Senior Management in setting priorities and understanding the situation and historical trend; the staffing gaps by offices; and enhance the UN Women Human Resource strategy related to talent management and business continuity.

## A. GOVERNANCE FRAMEWORK

### Issue 1: Need for improved oversight and professionalization of a fully decentralized consultant management process

The oversight arrangements for consultant management need improvement, and the global HR function that supports this area needs professionalization through sufficient capacity, standardization, training and support.

During the audit period, a total of 8,234 purchase orders for a total amount of approximately US\$ 100 million representing POs raised for SSAs were processed and approved, comprising 4,082 in 2019 and 4,152 in 2020.<sup>7</sup> The consultant management process in the field is performed by a dedicated HR personnel or by an HR focal point who may be performing multiple roles and therefore relies heavily on regional HRBPs or the HR Division at headquarters for guidance, advice and support. At headquarters, administrative assistants in hiring units perform the function, with advice and support from the HR Division. Of the approximately 55<sup>8</sup> dedicated HR personnel across UN Women, IAS assumes that about 40 personnel are involved in the consultant management process based on their job titles.

#### Headquarters HR personnel

At UN Women headquarters, there are approximately 17 HR personnel, including 11

<sup>7</sup> Atlas reports: UNFEM\_PO\_List (2019) and UNFEM\_PO\_Tracking details (2020) extracted March 2021; all purchase orders under Accounts 71205, 71210, 71305 and 71310.

<sup>8</sup> OneApp Personnel Directory, all personnel with HR positions.

Professional staff. Only three personnel are assigned to manage the SSA modality: two General Service level staff members (one will be retiring soon), supported by a retiree consultant, with temporary supervision of a P4 staff member. This is not sufficient to ensure adequate oversight of the overall consultant management process covering headquarters and field offices, and to serve as a subject matter authority on policy deviations. Other processes such as recruitment, training or Performance Management and Development have dedicated Professional staff, sometimes even teams.

All SSA requests at headquarters pass through the HR Division for review of their compliance with the SSA Policy in terms of using the proper form; ensuring that the basic TOR elements are present; and determining whether review by the Procurement Review Committee (PRC) is required. However, headquarters hiring units conduct the full selection process; and manage rate setting and negotiation, testing (if any), collection of compliance documents, notification of selection (or non-selection) and onboarding, etc. The HR Division then reviews the submissions to ensure that the negotiated rate is aligned with the TOR and does not exceed the rate range for the established level, any exceptions are subject to additional justification and approval by the hiring manager's supervisor. Comparing to the procurement process, the selection process of a vendor is delegated to the authorized buyer, i.e. the procurement unit which deals with the selection and negotiation process.

Administrative associates/assistants in headquarters' hiring units may not be adequately trained in HR processes. Moreover, these processes can consume considerable time. The HR Division is mainly involved at the end of the selection process in processing SSA contracts for headquarters units and advising field offices on interpretation of the policy. As the selection process is fully decentralized, the HR Division has limited oversight on the overall consultant management process. It provides quality control and guidance when HRBPs and personnel globally send queries to the dedicated headquarters consultant email account for response by the headquarters HR SSA team.

#### Field office HR personnel

At the field office level, 16 Country Offices have in total 20 primarily designated HR personnel, comprising mostly of local General Service level staff members and/or

holders of Service Contracts or SSAs. Five of these personnel perform dual roles, i.e. HR and procurement, or HR and travel. The remaining Country Offices have local administrative assistants helping with the HR function on a part-time basis; therefore the number of designated HR personnel could be even higher. A few field offices use UNDP services for recruitment. Many of these personnel, some even without an HR background, may not be adequately empowered to carry out a thorough quality assurance review of the selection process, including adequacy of TOR for SSA to be recruited, beyond checking that the basic elements are present. Their work is overseen by Operation Managers.

As a comparison, there are 29 primarily designated procurement personnel in 22 field offices (excluding Regional Offices). Procurement personnel have a UN Women-wide Procurement Community Network,<sup>9</sup> whereas HR personnel have the HR Community Network at regional level, which is not as robust or as widely used.

The TOR for HR-related responsibilities and roles are not standardized. As a result of different office sizes, some focal points are administrative assistants/associates rather than HR assistants/associates. The standard job profiles from the HR job dictionary for HR associates are currently only available for General Service staff levels 6 and 7.

Reporting lines are ultimately to the Head of Office, i.e. personnel in field offices do not have a reporting relationship with HR units at regional or headquarters level. In comparison, and as a best practice, the Finance Management Section (FMS) has a reporting line and virtual service arrangements with finance personnel in the field.<sup>10</sup> This was made possible by professionalization and investment in the finance function, which is not the case for HR. While there are some mitigating controls embedded in delegations of authority, owing to the lack of standardization and professionalization of HR capacity in UN Women field offices, the risk of inadequate consultant

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<sup>9</sup> UN Women Procurement Community Network is a network of all personnel involved in procurement that is managed by the Procurement Section at headquarters. Issues or queries on procurement can be raised, and any member can contribute to a discussion.

<sup>10</sup> Summary report on meta-synthesis of results from field office internal audits referred to the good practices established by FMS in professionalizing the finance function.

management within an authorized ceiling (US\$ 100,000 for one competitive process) is still high.

#### Regional Office HR personnel

Coverage of HRBPs in the regions is not consistent: HRBPs at P4 level are only in five of six Regional Offices (but one HRBP covers two regions); HR specialists at National Professional Officer level C (NOC) level are only present in two Regional Offices; and there are only HR assistants in Regional Offices (General Service level). HRBP positions were created quite recently (2019) and were originally funded by the HR Division budget, later moving under the Regional Offices budget without additional funding, which might impact their sustainability. These teams manage all HR-related processes within the delegation of the Regional Offices. While the Regional Offices might have HR capacity (see Table 3), this might not be used for overseeing consultant management, which again differs from the FMS process. HRBPs are involved in consultant recruitment, but their role is mostly advisory rather than administrative or oversight. As they are based in Regional Offices and handling HR review and clearance of their respective duty offices, they are not always as accessible to Country Offices, unless HR issues are escalated or specifically referred to them for advice or guidance.

#### Mandatory requirements for HR personnel

There is no additional function/role-based training for HR personnel. Operations workshops with HR sections are held at regional level by HRBPs who train HR focal points. However, many of the focal points are not dedicated HR staff, but have HR responsibilities along with other functions. This is unlike personnel with a finance role, who are given extensive training by headquarters FMS (personnel receive training from headquarters or FMS personnel deliver on-the-job training in the field); or procurement buyers, where Internal Control Framework/delegation of authority policies require that staff members employed in this role have successfully completed the Chartered Institute of Procurement and Supply (CIPS) Level 1 certificate.

#### HR control and capacity

Following the decentralization processes, the HR Division has not been tasked with controlling and monitoring the management process of consultants as the proper use of the modality is under the accountability of each hiring manager. Staffing volatility;



lack of functional training; lack of cross-cutting standardization or professionalization of function (i.e. if fully dedicated personnel cannot be hired, TOR should be standardized and dedicated function training provided); and limited oversight create a situation of weakened HR control and oversight capacity that cannot effectively handle a highly decentralized consultant management process. The consultant recruitment, administration and management process may have varying degrees of compliance with the SSA Policy from office to office. Considering the volume of consultants and the materiality of their fees, this is a significant risk.

IAS has not conducted a full functional analysis of the HR Division at headquarters or of the collective HR units in the field. Therefore, IAS cannot conclude whether the HR function is effectively structured to oversee and monitor the overall management of consultants. However, the current allocation of resources to consultant management is not adequate and sustainable. To establish an adequate HR oversight structure, **IAS highly recommends conducting a functional analysis of the HR Division at headquarters and the regions to take stock of processes and business priorities and allocate sufficient resources to discharge policy oversight and monitoring.**

Table 3 presents an overview of the headquarters, Regional Offices and field offices with the highest number of consultants and their dedicated HR function. These figures consider the original SSA and its subsequent amendments as separate contracts. Headquarters HR capacity dedicated to SSA processing appears to be lower than in some Regional Offices, which are tasked with managing the whole range of HR functions. As mentioned above, while some Regional Offices have dedicated HR personnel, the majority of field offices do not have full-time HR personnel, but combine this function with other administrative functions.

**Table 3: Top 10 offices or units with highest number of approved SSAs**

Unit or Office	2019	2020	Total	Dedicated HR for consultancy management
Headquarters	664	680	1,344	Conducted by hiring units' non-HR administrative assistants and/or Professional level staff members with support from the HR Division (1 General Service, 1 SSA, temporarily supervised by P4)
Asia & the Pacific	295	312	607	1 HRBP (P4), 1 HR specialist (NOC), 1 HR associate (General Service),
Europe & Central Asia	183	203	386	½ HRBP (P4) <sup>11</sup> , 1 HR associate (General Service), 1 HR administrative support (SSA),
Latin America & the Caribbean	133	186	319	No established HRBP in the region, function is partially covered by the HR Division (P3), <sup>12</sup> 1 HR specialist (NOC),
Arab States	85	105	190	½ HRBP (P4) <sup>10</sup> 1 admin assistant (SC for processing SC, FTA, UNV), 1 HR/Procurement associate (General Service - for SSA),
East & Southern Africa	95	80	175	1 HRBP (P4), 1 HR Consultant (SSA), 1 HR associate (General Service),
West & Central Africa	81	80	161	1 HRBP (P4), 1 HR associate (GS), 1 HR assistant (UNV)

Source: HR Division

#### Roles and responsibilities for SSA process management

The performance and contract management of consultants is fully decentralized to the hiring office with limited HR Division oversight. According to the SSA Policy, the Division of Management and Administration (DMA) is responsible for providing the policy and instruments to administer, oversee and monitor the correct and appropriate use of the SSA modality. Hiring units are responsible for maintaining appropriate documentation and records for monitoring and reporting purposes.<sup>13</sup>

<sup>11</sup> HRBP shared between the Regional Office for Europe and Central Asia and the Regional Office for Arab States.

<sup>12</sup> HRBP shared between headquarters SPD Coordination and DMA and Liaison offices.

<sup>13</sup> SSA Policy, Section 4: Roles and Responsibilities.



During 2019, as part of change management, the HR Division was separated from DMA. The Director, HR Division is now recognized as the policy owner of the SSA Policy, while the Director, DMA, as Chief Procurement Officer, still has overall authority in the issuance and administration of consultants. This arrangement is not aligned with the Delegation of Authority Policy, which grants the HR Director unlimited authority in the awarding of contracts to consultants and approving consultant daily rates above US\$ 1,000; while DMA has the authority to certify and endorse requests for consultants with an aggregate value of at least US\$ 100,000 prior to review by the PRC. In substance, consultant management has not been fully separated from the procurement process, making it the only personnel modality that is still linked to procurement.

A new draft version of the SSA Policy (not finalized at the time of this report's issuance), confers overall authority for the issuance and administration of SSAs for consultants to the HR Director, and thresholds are aligned with the Delegation of Authority Policy.

In the current SSA Policy the roles and responsibilities for consultant management were not clearly defined in terms of the oversight function; therefore no one is responsible for overall monitoring and reporting on the use of SSAs; the effectiveness and efficiency of the SSA Policy; or the trends and extent of SSA engagement across UN Women, e.g. type of work, consultant effective post level, length of engagement, programmatic areas and instances where exceptions are allowed. Atlas does not have the capacity to be used as a tool for monitoring consultants, while consultants are still processed through purchase orders as procurement transactions.

As expenditure on consultants is material and consultants represent a significant portion of UN Women's workforce, regular trend and compliance monitoring of their use and accountability measures should be in place.

### Recommendation 1 (High):

The Director, HR, in coordination with the respective Regional Directors and HRBPs, to enhance overall policy arrangements related to overseeing and monitoring the consultant management process, to strengthen and stabilize HR capacity across the

organization, and to formalize the HR Division's accountability as policy owner. In particular:

- (a) Conduct a functional analysis of HR units across UN Women to take stock of processes and business priorities and allocate sufficient resources to the consultant policy oversight and monitoring role.
- (b) Regularize and standardize TOR/job descriptions and functions and define minimum qualifications and other requirements for personnel in charge of HR processes, specifically those who are directly involved in SSA processing.
- (c) Strengthen the capacity of personnel in charge of HR processes at headquarters and in the field through training.
- (d) Channel requests related to HR through an HR Community of Practice, including specific guidance and advice on consultant management.

In an environment of constrained resources, the HR Division should consider the cost/benefit of potential options for retaining policy advice and monitoring within UN Women HR units, while moving some or all of the processing function to either an organized Global Shared Service Centre(s) or outsourcing the consultant management process to another agency or third-party vendor (e.g. UNOPS, UNDP or common back offices through the Business Operations Strategy [BOS]).

## Issue 2: Need for improved reporting, enhanced systems and monitoring

No single information system facilitating end-to-end consultant management is in place, and the consensus is that the new Atlas Oracle ERP<sup>14</sup> may still not include such a system.

Global monitoring through OneApp Personnel Validation is limited and relies on all offices to report on consultants accurately and consistently.

<sup>14</sup> Atlas Oracle ERP is the proposed new system under the #NextGenERP project that would handle HR, Finance and Procurement processes.

Consultant management is a mix of manual and automated processes, with fragmented subprocesses that lack built-in tools to instantly generate comprehensive reports. The recruitment and administration of consultants is partly processed as procurement and partly as an HR transaction.

- The end-to-end selection process is mainly off-system. The UNDP system or Taleo (a newly introduced system) are not always used for the selection process. Taleo could also be used for shortlisting and further selection, but it has not been widely used. IAS observed that the selection evaluation process is mostly conducted offline.
- Unlike the e-Procurement<sup>15</sup> system (which is mandated for all procurement above US\$ 5,000 and captures vendor registration, open competition, proposal submission and vendor selection), in consultant selection offline methods are preferred by hiring managers to expedite the process. As the use of the recruitment system is not mandatory, Taleo is only being used by a few offices. As a result, tracking of recruitment lead times from SSA request to selection or onboarding is not captured, making it difficult to determine the cause of delays or identify systemic problems and to establish accountability for delays and inefficiency. Cost-effective solutions to these issues are then not proactively sought. **IAS observes that the end-to-end process is heavily manual and would benefit from the mandated use of already available systems.** It should be noted that all HR Division resources are currently directed towards implementation of the #NextGenERP project and any development and potential automation that is not strictly critical is on hold.
- Originally, consultants were included in Atlas as a vendor management module and co-mingled with vendors from procurement (suppliers), with the corresponding contract entered as a purchase order (again a separate process from the actual contract processing). As Atlas is owned and administered by

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<sup>15</sup> E-Procurement is an automated system that has been rolled out and mandated to capture and document all procurement requests, with the exception of micro-purchasing, including registration of interested vendors and receipt of vendor submissions.

UNDP, UN Women cannot expand or modify the vendor set-up created by UNDP. This could be revisited and may be addressed in the #NextGenERP project.

- As a general issue, Atlas does not detect whether a vendor profile already exists, resulting in multiple vendor IDs for the same person. Purchase orders are pre-numbered but are controlled at business unit level, resulting in duplications of purchase order numbers across UN Women offices or units.
- Without further data manipulation, integrity checking and validation, Atlas cannot provide accurate reports on the number of consultants and/or their contracts by period of time, location, duration, number of days, daily rates, etc. As a result, **managers and other organizational decision makers may not be fully aware of the extent of reliance and spending on consultants.** Instances where work commenced before the corresponding contract and purchase order was approved in Atlas, were not easily detected. Monitoring of exceptions captured as deviations from the policy requirements has not been set up yet.
- Unlike the Performance Management and Development tool for staff members, performance evaluation of SSAs is conducted manually from initiation to archiving. Though some evaluation forms were scanned and digitally filed, due to its sensitivity there is no database where a search for a consultant's name would yield records of previous engagements and performance. Such a search facility would provide useful information for hiring managers but issues of data privacy and protection should also be fully respected.
- To mitigate the reporting issue, the HR Division and the Information Systems and Telecommunications Section (IST) introduced an add-on tool, OneApp Monthly Personnel Validation. The tool **does not interface with Atlas** for consultants, unlike for other personnel categories where it automatically populates OneApp with the list of staff members and service contract holders, mainly because consultants are not part of the Atlas HR module. Offices have to manually add SSAs through the OneApp Check-in System because Atlas was not designed to include individual consultants under the HR module. This does not guarantee completeness of records for management purposes if offices do not comply with the OneApp data entry process. The OneApp dashboard reflects a

snapshot overview and is not meant to provide a full picture of SSA workforce information over a given period. For example, based on Atlas, there were 2,548 and 2,610 consultants in 2019 and 2020, respectively, whereas OneApp (which reflects current active personnel) showed only around 763 consultants as of 25 March 2021.

- The consultant management process does not have performance indicators to measure its effectiveness and efficiency. The **lack of central monitoring and reporting on associated performance indicators** is a gap that impedes effective corporate oversight.

### Recommendation 2 (High):

Taking the opportunity of the new ERP project, the Director, HR to:

- (a) Consider migrating consultant transactional processing to the HR module in Oracle, with possible global automation of manual recruitment, on/offboarding and performance evaluation processes.
- (b) Explore expanding the monitoring and reporting functionality to allow a better overview of contract value over a period of time and performance indicators for the end-to-end process.

## B. ADEQUACY OF POLICY DESIGN

### Issue 3: SSA Policy would benefit from revisions to include risks and address current gaps and deficiencies

The SSA Policy is generally based on the UNDP Individual Contract Policy but has gone through periodic reviews. However, as pointed out in the [Audit of Policy Cycle Management at UN Women](#), most of the PPG framework would still benefit from an end-to-end risk assessment specific to UN Women's situation and challenges as well as benchmarking with best practices from other UN agencies.

The SSA Policy has not kept abreast with the evolution and increasing complexity of

the business process it is supposed to govern due to short periodic review time frames, which makes it challenging to include all key stakeholders and inputs. **In addition, the HR Division does not have a policy specialist to handle this task effectively. This is notable particularly given the size of the UN Women workforce and importance placed on its human capital for achieving its mandate.** As a result, not all of the lessons learned from the consultant management process have been integrated in the revised policy.

There is a lack of synergy and cross-referencing with other PPGs, and this has resulted in inconsistencies in provisions. For example, the review threshold in the SSA Policy was not aligned to the Delegation of Authority Policy and still refers to the Procurement Policy, despite the separation of the two processes, which the HR Division has already started to address in the latest draft SSA Policy. In addition, the payment of travel and DSA fees does not refer to the Duty Travel Policy, with the exception of a citation under travel arrangements and security clearance. Alignment with all policies, including the Contract and Procurement Management Policy, is necessary, including addressing grey areas such as thresholds which have already been partially updated while awaiting the introduction of the new modality being developed by UNDP.

The audit benchmarked the practices of other organizations such as the UN Secretariat, the Food and Agriculture Organization (FAO), UNDP, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Population Fund (UNFPA), the United Nations High Commissioner for Refugees (UNHCR), the United Nations Children's Fund (UNICEF), UNOPS, the World Bank and the World Food Programme (WFP). The following gaps in the UN Women's current SSA Policy were identified:

- The policy is unclear on who is responsible for central oversight for monitoring and reporting of compliance with the SSA Policy and lacks clear rules or procedures for handling exceptions or deviations from the policy. Other agencies, such as UNHCR, FAO and UNOPS, monitor and report on compliance and have clear rules or procedures for exceptions and/or deviations, as well as an audit trail that compiles all exceptions and deviations and the decision made for each.
- There is no reference to accountability for results. The UNDP policy specifically

mentions this. The policy does not sufficiently emphasize best value for money including: a) having SMART (specific, measurable, attainable, relevant and time-bound) key performance indicators in consultant TOR; b) prioritizing national and then regional consultants before international consultants to minimize travel and facilitate contextual knowledge and use of own resources and networks; and c) negotiating a monthly living allowance instead of DSA for longer-term, on-site needs (aligning it with the rental subsidy for staff members, living allowance supplements for UN Volunteers or similar baselines).

- The policy does not provide a framework for consultants to be hired as temporary backfill for staff functions.
- The policy is unclear on the period of time to apply the aggregate amount threshold for individual contracts as per the delegated authority, i.e. whether the amount accumulates indefinitely until the threshold is reached. In comparison, the Procurement Policy specifies that the cumulative value only refers to contracts awarded by the same business unit to the same vendor within the last 12 months and will reset once it is reviewed by the headquarters PRC. This is known as the principle of “resetting the counter back to zero” under the Procurement Policy but does not apply to the engagement of consultants. IAS noted that the PRC often receives cases of accumulated consultancy fees.
- The policy is unclear on the mandatory contract breaks for consultants after a certain period of service or number of contract days. Other UN agencies have mandatory organization-wide contract breaks (not only from the particular hiring office) of 1 month within a 12-month period, and at least 6 months after reaching 33 months in any 36-month period. UN Women only specifies a maximum period of three years but does not make reference to contract breaks, although headquarters HR requires a contract break once that maximum period is reached.
- As consultants are hired as non-staff personnel and not as commercial vendors, the policy does not state that background checks should include the Consolidated UN Security Council sanctions list and the United Nations Global Marketplace (UNGM) vendor ineligibility list. However, the HR Division requires mandatory screening against the inter-agency Clear-Check database for sexual harassment, exploitation and abuse (which soon will be expanded to misconduct).

- As consultants are not intended to be staff replacements and hired for long periods of time, the policy is not clear when consultants are entitled to training at the expense of the organization (except for mandatory training). Some offices allow consultants to participate in training for staff members, especially if consultants are on longer-term contracts. Other offices do not, which can create a risk of inequity.
- There is no maximum contract duration for UN retirees, which in other UN entities is limited to six months (or equivalent number of working days) within the calendar year.
- The policy does not have specific requirements when engaging government officials as consultants. A previous IAS audit indicated that in one field office some government officials who were still on active duty were concurrently hired as consultants; at times, they even worked with their own government offices, which could create a real or perceived conflict of interest. The policy does not have specific requirements for clearance when engaging government officials. However, under normal circumstances, a clearance/releasing letter from the government is required to confirm that consultants are not on active duty (on leave status).

### Recommendation 3 (Medium):

The Director, HR to accelerate revision of the SSA PPG aligned to the end-to-end risk assessment, taking into account the points raised in this report, benchmarking it with good practices across United Nations organizations, based on principles of mutual recognition and soliciting feedback from hiring managers.

## C. EFFICIENCY OF PROCESS

### Issue 4: Treatment of consultant recruitment as a procurement exercise

There have been some management initiatives to separate the recruitment of

consultants from procurement exercises; however, a hybrid process remains whereby recruitment of consultants is partly conducted by HR and partly through procurement. For example, some offices have renamed the Request for Proposal (RFP) as Call for Consultants (CFC) when used for consultants, without a significant difference in the content and process, i.e. both require a financial proposal, which may be unnecessary for SSA recruitment because the factors to consider are already known (nature, complexity, difficulty and extent of the assignment). Instead of a financial proposal, hiring offices should predetermine the appropriate range of consultant rates based on the factors listed above; only evaluate technical skills against TOR requirements; and ensure that the negotiated rate is within the predetermined pay range (as with other recruitment).

When the delegation of authority threshold for a contract is reached, the consultant recruitment is referred to a local, regional or headquarters PRC prior to issuance, which entails additional days to finalize the recruitment depending on the number of issues raised by the committee. With the exception of local PRCs, convening PRC members can be challenging, either due to geographical distribution or competing work priorities.

Reportedly, PRCs only review the compliance of the selection process with the SSA Policy and do not validate the decision made. If this is the case, a review by a collegial body does not seem to be warranted, as following the same TOR and procedures should result in each member reaching the same conclusion as to whether there is compliance or non-compliance with the policy. In this regard, a review by an HR expert in the consultant recruitment process, which already happens with SSA recruitment at headquarters level, would save time and resources. This recommended practice was observed in some of the benchmarked UN organizations.

Other inefficiencies due to historical design include a combination of offline and system processes (see Issue 2). The filing system is also fragmented and inconsistent between offices, whereas at headquarters the HR Division maintains complete files for each consultant (from 2020 these are online). Moreover, the payment process for consultants is carried out through purchase orders as payments are not included in payroll as is the case with other personnel modalities.

#### **Recommendation 4 (Medium):**

The Director, HR to fully transition consultant recruitment to an HR process by

- (a) Focusing on matching the requirements from the established TOR with the technical profiles of candidates and negotiating the rate for that profile with the selected candidate.
- (b) Replacing review by the Procurement Review Committee with review by a certified authority within the respective delegation of authority, such as the Operations Manager, HRBP at a Regional Office, or by the HR Division at headquarters.
- (c) Consolidating the process, automating where possible while minimizing the off-system elements which will ensure the availability of an in-system audit trail and enhance the transparency and competitiveness of the process.
- (d) Consider updating the delegation of authority thresholds for consultants, including daily rates in addition to total contract.

#### **Issue 5: SSA roster functionality is underutilized**

Most offices have rehired a previous consultant and would include them on their list of consultants or informal roster. If properly developed, maintained and shared, a consultant roster can streamline the recruitment process significantly, as vetting of education, work experience and performance need only be done once.

However, at the corporate level, e-roster functionality was not adequately utilized. While some offices have developed their own rosters, others have not. Those that have been established are not always kept up to date, and as these roster systems are localized and mostly manually maintained, they are not accessible by other offices. Unlike an automated roster system, local rosters are not standardized in form and content.

Some UN agencies have invested in establishing proper rosters (through advertising and selection by individual area, candidates are vetted by the HR unit and remain on a

roster for a period of two to three years) and use a centralized and automated roster system (e.g. Taleo). This makes it easy to add or remove a consultant from a roster should issues on performance or other contractual obligations arise.

In some UN agencies, consultants are required to centrally register for rosters, which hiring managers can then use for shortlisting. The vetting process is integrated in the central roster and is complemented by subsequent performance evaluations once uploaded (restricted access is used to comply with privacy protection). The central roster is then made accessible to hiring managers on demand and allows hiring units to discuss potential issues with previous supervisors. This is considered a good practice that could streamline the hiring process at UN Women.

#### **Recommendation 5 (Medium):**

The Director, HR to introduce (where applicable) and invite hiring offices to participate in the creation of centralized and automated rosters in Taleo or other systems as per benchmarked good practices in other UN agencies.

#### **Issue 6: Inconsistent onboarding and offboarding processes**

The HR Division Intranet page includes information on orientation for new hires including onboarding, separation and handover procedures. However, due to the decentralized consultant process and different management styles, onboarding processes at headquarters and field offices vary, and some consultants do not receive onboarding or proper guidance upon entry.

Most field offices have established onboarding processes that are less structured than those at headquarters. Field offices may include all personnel in their onboarding or just a select few, depending on the duration of the contract, or where the consultant will be working. Home-based consultants usually do not undergo formal onboarding because many work independently and have few or no field visits. Furthermore, home-based consultants typically are not provided with any UN Women assets, system access or email. However, all consultants might benefit from a consistent, minimal onboarding process which could be expanded depending on office needs.

Some offices include all office-based consultants in their staff orientation, regardless of the duration of the contract. However, mandatory training takes time, and consultants are often paid daily rates, raising the issue of whether the organization should pay consultants to take mandatory training. In some benchmarked organizations, some of mandatory training is a prerequisite condition before a contract is signed.

Another inconsistent area is whether a consultant should be provided an official UN Women email address. While this is governed by the Information and Communications Technology (ICT) Policy, a request from the hiring office is still necessary, and some offices do not request email for short-term and/or home-based consultants. The implication of this could be significant because a personal email account is not as secure as a UN Women account. Furthermore, consultants are often not given guidance on how to handle sensitive data, including who is accountable in case of data loss or security breach. This situation could result in unnecessary delays, risks or misunderstandings. This issue should be addressed in the data protection and data privacy PPG. If an assignment requires travel, a consultant may also miss the security briefing prior to departure.

Only a few field offices have an offboarding process, which usually includes only the handover of reports. Supervisors are responsible for ensuring a proper handover, however the handover process will be inconsistent without operationalizing handover processes in the Knowledge Management Strategy and having end-to-end process guidance from HR Division as a part of new modalities.

Lack of an offboarding process could result in misunderstandings about what should be handed over to UN Women at the end of a consultancy contract. This poses a significant risk to UN Women, including a reputational, privacy or security risk to those involved in the assignment or even to beneficiaries (see Issue 14).

#### **Recommendation 6 (Medium):**

The Director, HR, in coordination with the Director, DMA, to:

(a) Update guidelines on the minimum requirements for onboarding and



offboarding and some of mandatory training (whether it should be at the consultant's expense if the contract is of short duration or based on a daily rate); data protection and data privacy protocols; rights and ownership over all works and files; and ensure that consultants are given clear direction on how to start and end their assignments.

- (b) Update the available clearance checklist for offboarding which should be signed and made available as evidence in individual consultant filing system, covering the handover of all files, drafts and working papers; and the return of loaned assets, where applicable, prior to the release of final payment.

## D. EFFECTIVENESS OF EXISTING CONTROLS

### Issue 7: Lack of transparency in using referrals as a source of potential candidates

The SSA Policy requires that the completed TOR are the basis for identifying suitable candidates, ensuring a competitive, open, transparent and objective selection process.

However, in at least eight sampled cases and several cases identified through the review of PRC records on the consultants hired through direct contracting and referred to PRC, hiring offices chose not to advertise the consultancy and screen candidates. To fast track the recruitment, these offices used an informal referral system where they asked colleagues from within the UN system to provide names of potential candidates. CVs were then collected either from the potential candidate or from the referrer. The hiring units or referrer sometimes neglected to share the TOR with all the potential candidates, resulting in the submission not being as responsive to the TOR requirements as it could have been, thereby putting some potential candidates at a disadvantage.

The advantage of a referral system is that it significantly reduces recruitment time. The hiring office also saves on the cost of advertisement and the time needed to review a potentially large pool of applicants to a public advertisement. The disadvantages of an informal referral system is that it is less transparent and not

standardized. When an informal referral process is not adequately documented or regulated, this could increase the risk of misuse, corruption or manipulation.

### Recommendation 7 (Medium):

The Director, HR to establish guidelines on how to effectively source candidates, ensuring a competitive process with fairness and transparency, so that: a) all candidates receive the same TOR; b) all candidates are screened through the same process; and c) where the referrer is from UN Women, the relationship with the referred candidate or any potential conflict of interest is disclosed and documented.

### Issue 8: The designed TOR were not always SMART

The SSA Policy states that TOR "must be comprehensive and explicit as they are the principal guideline in identifying qualified candidates, determining fees, evaluating performance and certifying that services or activities have been performed satisfactorily." A properly approved TOR becomes part of the contract that will be executed. TOR design could be improved in the following ways:

- Segregating the responsibility for TOR design and work validation. Hiring managers draft TOR, manage the consultant and validate the work performed. The TOR specifies the duties, responsibilities, deliverables, due dates and qualification requirements, which establishes the basis for the SSA rate. This represents a concentration of potentially inherent conflicting duties within the same role.
- Making qualification requirements less restrictive. At times, hiring managers set qualifications that exceed what is usually required, which then drives up the consultant rate or sets qualification requirements that are too narrow or appear to have been customized to specific candidates, significantly limiting the pool of candidates or favouring certain candidates. In headquarters this is partially mitigated by the HR Division's review of SSA requests before issuance of the contract, including alignment of TOR with proposed rates and addressing any inconsistencies.

- **Making TOR deliverables SMART.** The SSA Policy states that “the final product or deliverables should be clearly defined.” As a rule of thumb, deliverables should be SMART. However, rather than having specific outputs, many TOR have deliverables that cannot be objectively measured or lack specific due dates for each deliverable, meaning delays are only determined once a contract has ended.

Poorly designed TOR can limit competition and are more difficult to enforce. Recourse may be limited should any dispute arise on performance or delivery and may result in increased costs. The main reasons for deficiencies in TOR design are lack of awareness on the part of hiring managers of the importance of drafting robust TOR; using staff job descriptions without modifying them to specific output-oriented consultancy requirements; inadequate training; and/or ineffective quality assurance reviews of TOR at hiring offices.

### **Recommendation 8 (Medium):**

The Director, HR to:

- Include training on how to draft robust TOR that deliver impact and value for money for UN Women as part of the consultant management process (see also Recommendation 1).
- Develop and share best practices for minimum requirements of TOR.
- In the SSA Policy, emphasize that hiring managers are responsible for setting and monitoring SMART deliverables.

### **Issue 9: Ineffective evaluation of shortlisted candidates**

Most consultant recruitment is based on desk reviews as the preferred method of candidate evaluation as written examination, sample work submissions (where applicable) or interviews are not mandatory, regardless of the contract value involved. The main advantage of a desk review is its simplicity and fast-track process: it only requires a minimum of three shortlisted candidates (often through referral, as mentioned above) whose CVs are assessed against the required qualifications in the TOR.

However, there seems to be a misapplication of, or misplaced reliance on, desk review as the sole method of evaluating required competencies. For example, most TOR have qualification requirements such as substantive knowledge, various skills, good judgment, understanding of the work of UN Women, and UN Women core competencies, none of which can objectively be measured or easily gleaned from a review of CVs during the evaluation stage.

Desk reviews can be potentially manipulated because the only objective information in a CV is education and work experience, while the remainder of the information comprises subjective presumptions about the required competencies as assessed by the evaluator. Personal biases could negatively impact the recruitment.

A written examination, sample work submission or interview would offer more insights on candidates’ thought or decision processes and compatibility with UN Women core competencies. However, these activities require time and resources.

Benchmarking conducted by IAS revealed that at UNDP any consultancy contract exceeding US\$ 100,000 requires the interview of shortlisted candidates. For rosters, other UN agencies use interviews with a combination of technical written examination (where applicable) and reference checks. For relatively high-value consultancy contracts, it would seem prudent to use a more stringent evaluation process to ensure a truly competitive and fair recruitment.

### **Recommendation 9 (Medium):**

The Director, HR to enhance the consultant selection and evaluation process to ensure it:

- Complies with the principles of competitiveness and transparency and addresses the risks identified in the process, including the need to expand the desk review to one or more options (e.g. testing, interviews) before the recruitment submission is finalized for approval.
- Defines the different evaluation methods and their threshold and evaluation panel membership.



### Issue 10: Instances of post-facto contracting

Reportedly, the headquarters PRC sometimes received post facto cases to review. Although there were not many cases, the committee raised concern that these cases were not post facto per se but rather were lapsed or expired contracts that some offices had failed to submit for renewal or extension in a timely manner. In these cases, offices allowed consultants to continue their engagement despite not having a valid contract in place. As the work was already ongoing, the PRC was in a difficult situation, where the only option seemed to be to recommend post facto approval of the renewal or extension.

This situation demonstrates the need for systematic monitoring of consultant contracts by individual hiring managers based on the available tools that would flag when contracts are due for renewal or extension to allow prompt action. UN Women has already implemented a global notification system that automatically reminds hiring managers of an upcoming contract expiry date, in addition to the on-demand reports available to managers and personnel validation focal points.

#### Recommendation 10 (Medium):

In conjunction with Recommendation 2, the Director, HR to include in the PPG framework (as part of guidelines or procedures) that hiring managers should monitor their respective consultants' contracts, taking note of approaching expiry dates and ensuring that no consultants work without a valid contract. Post-facto cases should be included in the exceptions monitoring reports.

### Issue 11: Simultaneous contracts might create overlapping and competing priorities for consultants

The SSA Policy requires the hiring office to check and report the cumulative value of a consultancy contract before the contract is issued. Once a certain threshold is reached, the recruitment must be reviewed by the appropriate PRC. However, this check is only conducted within the specific hiring office, as each office can only access its own Atlas transactions. This practice does not address the potential risks involved

in hiring consultants with several simultaneous engagements. Having several ongoing engagements is likely to cause delays, especially if such engagements are geographically dispersed and travel is required. Some UN Women consultants not only work across UN Women simultaneously, or with overlapping contracts, but also across different UN agencies and other organizations. The presence and capacity of the consultant may become thinly spread.

#### Recommendation 11 (Medium):

The Director, HR to:

- (a) Require the disclosure of contracts with another employer to ensure there are no competing priorities, including during no-cost extensions.
- (b) Require hiring offices to consider evaluating the risks and mitigating actions for existing, potentially overlapping contracts of potential candidates.

### Issue 12: Rates were not always commensurate with consultancy work

The SSA Policy states that in setting rates for consultants, "the principal consideration should be the nature of the assignment, complexity, difficulty and extent of the work to be performed and the degree of expertise required to accomplish it." For this reason, TOR should not overstate the required qualifications, as qualifications that are higher than necessary could give consultants high expectations of the rates applied to the contract.

IAS noted that, in many cases, rates were negotiated with consultants and were based on their personal demands rather than on the dictates of the actual work.

The offices concerned did not document how and why these rates were established. However, some offices indicated that the consultants quoted the rate based on previous assignments with UN Women or other UN agencies.

In addition, where the assignment required an international consultant, the offices concerned provided DSA, even for long-term contracts. IAS' benchmarking of good

practices indicated that some UN agencies negotiate a monthly rate for a living allowance, which is lower than the DSA. This would result in savings to the Entity.

These inconsistent fees occur in part because unclear guidelines on how to objectively appraise the nature, complexity and difficulty of an assignment to set the appropriate degree of expertise required and to set consultant rates, allowing hiring managers, instead of the HR unit, to negotiate rates with consultants. In IAS' benchmarking, some UN agencies stated that before they set consultancy fees, they determine the staff level position for the work involved and then use the staff salary scale as the basis. This is the same principle adopted by UN Women, although its application differs, i.e. consultant rates only have three levels (A, B and C), while staff posts have more levels (General Service levels, P1 to P5, D1 to D2, and above). Some UN agencies also periodically conduct a joint exercise to survey best practices for developing a table of consulting fees and/or market research. In some offices, Shared Service Centre HR colleagues are authorized to negotiate rates. UN Women's practices runs the risk of over-compensation, and therefore not achieving best value for money.

#### **Recommendation 12 (Medium):**

The Director, HR to issue clear guidelines on setting consultancy fees and consider a cost-effective way to improve the setting of consultancy fees, e.g. participating with other UN agencies in a joint exercise to survey and benchmark best practices for fees, including enhancing provision of living allowance versus daily subsistence allowance for longer term travel requirements.

#### **Issue 13: Performance evaluation were not always result-focused**

The SSA Policy requires that TOR be comprehensive and explicit enough to be able to evaluate consultant performance. Performance evaluation is supposed to measure the quality and timeliness of the work performed as specified in the TOR, prior to the release of payment. However, IAS noted that most consultant performance evaluations are not aligned with TOR deliverables and often evaluate competencies instead. This occurs for the following reasons:

- There are several versions of the consultant evaluation form, and some of the templates used cannot be customized to include the TOR deliverables and therefore evaluate the quality and timeliness of each deliverable.
- TOR are poorly designed and indicate activities or unclear deliverables rather than SMART deliverables.
- Some supervisors of consultants have not been adequately trained on how to properly evaluate performance. While most managers are staff members who get access to training, in field offices, team leaders of programmatic pillars can be non-staff personnel, such as Service Contract or SSA personnel, who may not have received the same access to training.

As a result, performance evaluation becomes a weak tool to assess consultants and to highlight the results produced for future reference. In addition, consultants' completed performance evaluation forms are rarely shared between managers or between offices due to concerns over the confidentiality of personnel records.

#### **Recommendation 13 (Medium):**

The Director, HR to revise the performance evaluation template for consultants to align with TOR deliverables and to ensure the evaluations measure the quality and timeliness of work. In addition, the HR Division to provide guidance to hiring offices and require that Heads of Office maintain a quality assurance mechanism for consultant performance evaluation.

#### **Issue 14: Need for a centralized and automated system for knowledge management, filing systems and data protection**

Proper filing of key documentation to support consultant management and onboarding/handover processes when a consultant joins or leaves the organization are the responsibility of hiring units and the lack of compliance in these areas is mainly due to inadequate management or lack of awareness of existing policies. Due to the ongoing COVID-19 pandemic, it was very challenging for some offices to provide the required documents for this audit, despite repeated follow-up from IAS. Some offices,

including those at headquarters, explained that they only had hard copies of some documents and that they would need special permission to access their closed offices. Furthermore, obtaining the documentation would entail additional risk for the person who had to retrieve and scan the files. Some offices also had difficulties in locating files; contacting previous supervisors or other personnel involved in the consultancy; or searching through emails. This resulted in varying levels of submission, some samples had adequate support, while some had minimal documentation, and others none. This limited the testing to samples with workable documentation and exposed an indirect weakness in UN Women's business continuity plan, which requires that shared drives be backed up periodically, which is only partly useful because not all files are in the shared drive.

For example, in some cases, consultants left the organization without handing over all files and working papers before receiving their final payment. In many audited sample cases, the office could not find the delivered work, as it had been submitted to a former staff member who had since separated from UN Women.

This occurs because UN Women personnel do not always properly use SharePoint as a centralized and automated system for knowledge management. In some cases, field offices which have worked on similar projects could have coordinated to share the reports produced by their respective consultants but missed these opportunities, knowledge products and lessons learned.

Lastly, it is a challenge for UN Women to employ data protection measures because files are locally dispersed and maintained. As much of UN Women's work deals with sensitive issues and consultants may be collecting confidential and sensitive information, including beneficiary data, data protection is a paramount concern which poses risks, not only to UN Women, but also to beneficiaries. This area needs to be covered by the data protection and data privacy policy.

#### **Recommendation 14 (High):**

The Director, Human resources to:

- (a) mandate Heads of Office to ensure that hiring units store and protect consultants' files properly using SharePoint, where needed asking the Information Systems and Telecommunications Section for assistance; and
- (b) Disseminate through Community of Practice the existing checklist with mandatory documents to be filed.

During implementation of the data protection and data privacy policy, sensitive documents should be identified and flagged for adequate protection

## **E. VENDOR-CONTRACTED CONSULTANTS**

### **Issue 15: VCC modality not clearly defined in policy and did not always provide best value for money.**

#### Outsourced consultancy service modality without clear policy or process

Some UN Women offices and units hire consultants and other individuals through third-party vendors instead of hiring them directly. The VCC modality is used for technical experts (local or international) for outsourced services in headquarters, while in some field locations, based on inter-agency practice, VCCs are used for support in the office. This modality foresees two contractual relationships: one is a contract between the third-party vendor and UN Women (or UN agency)<sup>16</sup> and the other is a contract between the third-party vendor and their personnel. VCCs usually perform similar duties to either consultants or General Service staff hired directly by UN Women. This set up creates a hybrid modality that is not explained in Procurement

<sup>16</sup> UN Women has either a contract or a Long-term Agreement (LTA) directly with the third-party vendor or avails an LTA administered by another UN agency, in which case UN Women needs to enter into a Participation-level Agreement (PLA) with the vendor.

or HR policies. In some cases, VCC entails subcontracting the recruitment process for consultants and other personnel, without clearly defined regulation, oversight and accountability.

VCCs are used for various reasons, for example in headquarters when it is difficult to otherwise engage personnel for some outsourceable functions due to the absence of adequate contractual modalities; or when it is practical to engage personnel for technical functions, for example where VCC services are part of a broader service package by an outsourced service provider engaged by IST and responsible for system development and support, cybersecurity or IT help desk. These areas provide VCCs with broad (administration) access to UN Women systems and data.

Sometimes, the VCC modality is used instead of choosing proper HR modalities to recruit individuals through a third-party service provider, or to work around a remuneration ceiling. IAS noted the following issues for selected VCCs at headquarters:

- In one case a hiring unit first engaged an individual under an SSA but after the remuneration ceiling for SSAs was reached, the unit referred the TOR, CV and suggested remuneration of this personnel to several vendors, expecting them to submit their quotations to UN Women. The hiring unit emphasized that it acted in a transparent manner and to ensure service continuity for the rehired role. In IAS' view, this process did not demonstrate true competition, i.e. the vendors select and propose their own qualified candidates to UN Women. The hiring unit could have asked the Executive Director (in accordance with the PPG) to authorize an exception to the SSA Policy regarding the remuneration ceiling. Moreover, the vendor then charged an additional 10 per cent in overheads which could have been avoided through a request for an exception to the policy. This 10 per cent charge was higher than other vendors were charging at headquarters or in the field (below 5 per cent). In 2019–2020, two headquarters units spent a combined total of US\$ 48,433 in vendor overheads for four VCCs. A proposal to regularize the function was prepared but has not yet been finalized.
- VCCs were similarly engaged (and renewed either through the same or another vendor) for some regular support functions at headquarters due to unavailability of staff positions and no other modality under HR policies. One such function was

regularized as a staff position only after the VCC had worked in the position for four years under the last vendor and for many years under previous vendors.

- IAS noted that remuneration rates for some headquarters support personnel engaged as VCCs in 2018–2020 did not increase. In one case, a VCC ultimately received a lower rate for the same function when re-engaged three months later through another vendor. This practice could be demotivating and, comparatively, would not be permitted if the personnel was a staff member. UN Women's standard contract for "Professional Services Contracts above US\$ 100,000" (Article 4.10) requires vendors to comply with international standards and local labour laws, including for insurance, social security, health insurance, workers' compensation, retirement funds or other payments. However, one long-time vendor providing VCCs did not comply with these requirements, while another vendor hired by the same unit did provide such benefits.
- The headquarters PRC has repeatedly raised concerns over the selection of VCCs in the above-mentioned cases, highlighting the lack of competitive procurement and that this modality did not offer personnel health benefits, sick leave and annual leave, and may prevent the retention of well performing personnel. The PRC highlighted the need to explore another contracting modality and recommended that the HR Division provide guidance on recruitment of support personnel at headquarters. In April 2021, the HR Division indicated that a new personnel modality being explored by UNDP which would also be considered by UN Women.

#### Lack of central reporting or monitoring of VCCs

UN Women does not have a complete list of all VCCs. The OneApp Personnel dashboard relies on manual entries by each office hiring VCCs. However, based on the dashboard's average count of approximately 50 VCCs, not all offices may be reporting them. IAS estimates that approximately 100–200 VCCs are engaged each year, with one Country Office reporting to have engaged more than 100 VCCs during 2019–2020.

As VCCs do not have a direct contractual relationship with UN Women, performance evaluations were not conducted in the same manner as for other personnel. One hiring unit indicated that it held informal discussions, whereas another conducted

more formal performance evaluations. It was unclear how the evaluations were used to decide contract extensions.

#### Third-party vendor not providing required number of qualified candidates

Moreover, security-cleared VCCs have been engaged by a few field offices under a Long-term Agreement (LTA) with a specialized vendor, in accordance with the local practice of UN agencies and mainly due to security restrictions in those countries. The key issues identified are outlined in one example below.

Under another UN agency's LTA used by UN Women Country Offices to engage VCCs, the vendor was required to submit a minimum of three responsive CVs that meet the minimum qualifications and requirements as indicated in the TOR.

IAS verified the desk reviews conducted by a hiring office of 15 VCCs provided by the vendor and noted the following: (a) only one case was compliant with the LTA with three fully qualified candidates; (b) in one case only two of the three candidates were fully qualified; (c) 11 cases had only one fully qualified candidate who was selected; (d) in one case the highest ranked candidate was recommended but not selected; and (e) in one case the selected candidate was not qualified.

These lapses in the provision of services through the LTA indicate that VCC management may be inadequate to protect the interests of UN Women.

#### **Recommendation 15 (High):**

The Director, DMA, in consultation with the Director, HR, to:

- (a) Better define the VCC modality in relevant policy.
- (b) Establish clear guidelines on when to engage VCCs and how to properly manage the vendors (including under LTA) and the subcontracted consultants, to ensure that UN Women's interests and the interests of the personnel recruited by vendors are protected, and that best value for money is derived from VCC arrangements.

- (c) For those above-mentioned cases, consider more appropriate personnel modalities to engage VCCs at headquarters.

## V. RECOMMENDATIONS AND MANAGEMENT ACTION PLAN

Issue	Recommendation	Process	Responsible Unit	Priority	Action Plan	Implementation date
1. Need for improved oversight and professionalization of a fully decentralized consultant management process	<p>Recommendation 1:</p> <p>The Director, HR, in coordination with the respective Regional Directors and HRBPs, to enhance overall policy arrangements related to overseeing and monitoring the consultant management process, to strengthen and stabilize HR capacity across the organization, and to formalize the HR Division's accountability as policy owner. In particular:</p> <p>(a) Conduct a functional analysis of HR units across UN Women to take stock of processes and business priorities and allocate sufficient resources to the consultant policy oversight and monitoring role.</p> <p>(b) Regularize and standardize TOR/job descriptions and functions and define minimum qualifications and other requirements for personnel in charge of HR processes, specifically those who are directly involved in SSA processing.</p> <p>(c) Strengthen the capacity of personnel in charge of HR processes at headquarters and in the field through training.</p> <p>(d) Channel requests related to HR through an HR Community of Practice, including specific guidance and advice on consultant management.</p> <p>In an environment of constrained resources, the HR Division should consider the cost/benefit of potential options for retaining policy advice and monitoring within UN Women HR units, while moving the processing function to either an organized Global Shared Service Centre(s) or outsourcing the consultant management process to another agency or third-party vendor (e.g. UNOPS, UNDP or common back offices through the Business Operations Strategy [BOS]).</p>	Governance framework	HR	High	<p>UN Women is in the process of exploring the feasibility of adopting UNDP's new IPSA and NPSA contractual modalities for its affiliate personnel. The new contractual modalities provide a revised policy framework, better compensation packages and benefits and provide the option of outsourcing the transactional aspects of the consultant's management to UNDP which would meet the audit's recommendation on outsourcing, given the constrained resources environment and lack of adequate capacity to administer these processes fully in house.</p> <p>As the transition to the new contractual modalities and the new ERP will evolve, HR will conduct a functional analysis for the functions that will remain with UN Women and update the guidance documents, roles, and responsibilities as well as the TORs for the HR personnel involved in this process accordingly.</p> <p>As for HR communities of practice, these are already established and functioning in each regional bureau and cover knowledge sharing on various HR topics, including consultants' management issues, on a regular basis. Additional guidance and training will also be offered as part of the transition to the new contractual modality and possibly extending the COP at global level for knowledge sharing and FAQs.</p>	30/06/2023
2. Need for improved reporting, enhanced systems and monitoring	<p>Recommendation 2:</p> <p>Taking the opportunity of the new ERP project, the Director, HR to:</p> <p>(a) Consider migrating consultant transactional processing to the HR module in Oracle, with possible global automation of manual recruitment, on/offboarding and performance evaluation processes.</p> <p>(b) Explore expanding the monitoring and reporting functionality to allow a better overview of contract value over a period of time and performance indicators for the end-to-end process.</p>	Governance framework	HR	High	<p>The inclusion of consultants in the HR module of the new ERP is being worked on as part of the development of the new system. These will be included as IPSA and NPSA contractual modality. Any gaps in the process will need to be addressed separately subject to resources availability and consistent with ERP functionality.</p> <p>It should be noted that even with the new ERP it will not be a one stop system, but rather several systems which are integrated among themselves for ease of data flow e.g. recruitment and performance management are in separate systems.</p> <p>Further, it should be noted that the use of the corporate PMD system was explored for the evaluation of consultants and the decision was not to use it as this would have made the process more cumbersome. Instead, the simple evaluation assessment forms were retained for this category of personnel.</p> <p>It should also be noted that the onboarding and off-boarding for all personnel is already automated for all offices worldwide and the interface will need to be updated to extract the information from the new ERP system that will replace Atlas</p>	30/06/2022
3. SSA Policy would benefit from revisions to include risks and address current gaps and deficiencies	<p>Recommendation 3.</p> <p>The Director, HR to accelerate revision of the SSA PPG aligned to the end-to-end risk assessment, taking into account the points raised in this report, benchmarking it with good practices across United Nations organizations, based on principles of mutual recognition and soliciting feedback from hiring managers.</p>	Adequacy of policy design	HR	Medium	<p>UN Women is in the process of exploring the feasibility of adopting UNDP's new IPSA and NPSA contractual modalities for its affiliate personnel. The new contractual modalities provide a revised policy framework, better compensation packages and benefits.</p> <p>Following the decision to adopt the UNDP's modalities, HR will review the existing PPG to align them with UNDP's framework, to address key risks mentioned in this report and to provide specific guidance (workflow) for rolling the new modalities in UN Women.</p>	31/12/2022
4. Treatment of consultant recruitment as a procurement exercise	<p>Recommendation 4:</p> <p>The Director, HR to fully transition consultant recruitment to an HR process by</p> <p>(a) Focusing on matching the requirements from the established TOR with the technical profiles of candidates and negotiating the rate for that profile with the selected candidate.</p> <p>(b) Replacing review by the Procurement Review Committee with review by a certified authority within the respective delegation of authority, such as the Operations Manager, HRBP at a Regional Office, or by the HR Division at headquarters.</p> <p>(c) Consolidating the process, automating where possible while minimizing the off-system elements which will ensure the availability of an in-system audit trail and enhance the transparency and competitiveness of the process.</p> <p>(d) Consider updating the delegation of authority thresholds for consultants, including daily rates in addition to total contract.</p>	Efficiency of process	HR	Medium	<p>UN Women is in the process of exploring the feasibility of adopting UNDP's new IPSA and NPSA contractual modalities for its affiliate personnel. The new contractual modalities provide a revised policy framework, better compensation packages and benefits.</p> <p>Following the decision to adopt the UNDP's modalities and ERP rollout, HR will ensure that new modalities are transitioned to an HR process, to the extent possible. This includes revising the existing workflows and providing specific guidance.</p> <p>The DoA and roles and responsibilities will be revised and updated accordingly including responsibility for rates establishment, guidance on an adequate audit trail (as applicable).</p>	31/12/2022
5. SSA roster functionality is underutilized	<p>Recommendation 5:</p> <p>The Director, HR to introduce (where applicable) and invite hiring offices to participate in the creation of centralized and automated rosters in Taleo or other systems as per benchmarked good practices in other UN agencies.</p>	Efficiency of process	HR	Medium	<p>The roster functionality already exists in the current Taleo system and has been used for several offices, we are also working with the ERP project team to ensure such functionality is developed and available in the new ERP recruitment system that will eventually replace Taleo.</p> <p>It should be noted that the use of rosters also requires additional capacity and resources to ensure they are properly set up and managed which impacts their subsequent implementation and use and will depend on the capacity and willingness of the hiring units to implement the rosters and maintain them.</p>	31/12/2022
6. Inconsistent onboarding and offboarding processes	<p>Recommendation 6:</p> <p>The Director, HR, in coordination with the Director, DMA, to:</p> <p>(a) Update guidelines on the minimum requirements for onboarding and offboarding and some of mandatory training (whether it should be at the consultant's expense if the contract is of short duration or based on a daily rate); data protection and data privacy protocols; rights and ownership over all works and files; and ensure that consultants are given clear direction on how to start and end their assignments.</p> <p>(b) Update the available clearance checklist for offboarding which should be signed and made available as evidence in individual consultant filing system, covering the handover of all files, drafts and working papers; and the return of loaned assets, where applicable, prior to the release of final payment.</p>	Efficiency of process	HR	Medium	<p>The Director HR will review the HR related elements of this recommendation and revise/update the relevant guidance accordingly.</p>	31/12/2022
7. Lack of transparency in using referrals as a source of potential candidates	<p>Recommendation 7:</p> <p>The Director, HR to establish guidelines on how to effectively source candidates, ensuring a competitive process with fairness and transparency, so that: a) all candidates receive the same TOR; b) all candidates are screened through the same process; and c) where the referrer is from UN Women, the relationship with the referred candidate or any potential conflict of interest is disclosed and documented.</p>	Effectiveness of existing controls	HR	Medium	<p>The Human Resources will review and provide additional guidance on sourcing for candidates, that will include those referred by colleagues from UNW or elsewhere. As with recruitment for staff positions, the process should ensure fairness and transparency in selected a candidate that meets the requirements. It should be noted that the disclosure of potential conflict of interest is already expected based on standards of conduct and ethics training/guidelines.</p>	30/06/2023
8. The designed	Recommendation 8:	Effectiveness	HR	Medium	<p>UN Women is in the process of exploring the feasibility of adopting UNDP's new IPSA and NPSA contractual modalities for its affiliate</p>	30/06/2023



TOR were not always SMART	The Director, HR to: (a) Include training on how to draft robust TOR that deliver impact and value for money for UN Women as part of the consultant management process (see also Recommendation 1). (b) Develop and share best practices for minimum requirements of TOR. (c) In the SSA Policy, emphasize that hiring managers are responsible for setting and monitoring SMART deliverables.	of existing controls			personnel. The new contractual modalities provide a revised policy framework, better compensation packages and benefits. The training needs will be assessed as part of the transition to the new modality and the roles and responsibilities will be revised and updated accordingly.	
9. Ineffective evaluation of shortlisted candidates	Recommendation 9: The Director, HR to enhance the consultant selection and evaluation process to ensure it: (a) Complies with the principles of competitiveness and transparency and addresses the risks identified in the process, including the need to expand the desk review to one or more options (e.g. testing, interviews) before the recruitment submission is finalized for approval. (b) Defines the different evaluation methods and their threshold and evaluation panel membership.	Effectiveness of existing controls	HR	Medium	UN Women is in the process of exploring the feasibility of adopting UNDP's new IPSA and NPSA contractual modalities for its affiliate personnel. The new contractual modalities provide a revised policy framework, better compensation packages and benefits. The selection and evaluation process will be guided by the new IPSA/NPSA policy. In most cases based on the SLA the recruitment will be performed by the outsourced entity (UNDP) and where the local UN Women offices will perform their own recruitment – we can consider adding the minimum requirements/basic principles on transparency and competitiveness in the corporate recruitment policy/guidelines.	30/06/2023
10. Instances of post-facto contracting	Recommendation 10: In conjunction with Recommendation 2, the Director, HR to include in the PPG framework (as part of guidelines or procedures) that hiring managers should monitor their respective consultants' contracts, taking note of approaching expiry dates and ensuring that no consultants work without a valid contract. Post-facto cases should be included in the exceptions monitoring reports.	Effectiveness of existing controls	HR	Medium	Monitoring the expiration dates for personnel contracts is already the responsibility of the hiring managers and the managers have several tools in place that help them with the monitoring such as: global automated system that notifies that the contracts are about to expire; manager report with all reporting employees contract end dates in OneApp; personnel validation report and monthly validation process where the focal points need to check and update the contract information. If the new policy on IPSA and NPSA will be adopted the respective roles and responsibilities will be updated/informed accordingly.	
11. Simultaneous contracts might create overlapping and competing priorities for consultants	Recommendation 11: The Director, HR to: (a) Require the disclosure of contracts with another employer to ensure there are no competing priorities, including during no-cost extensions. (b) Require hiring offices to consider evaluating the risks and mitigating actions for existing, potentially overlapping contracts of potential candidates.	Effectiveness of existing controls	HR	Medium	Applicants are already required to disclose the contracts during the application process by submitting a duly filled P-11 form. The Human Resources will provide additional guidance to advise hiring managers/supervisors to assess the risks and potential conflicts related to overlapping contracts as well as the need for consultants to disclose any other contractual engagements.	31/12/2022
12. Rates were not always commensurate with consultancy work	Recommendation 12: The Director, HR to issue clear guidelines on setting consultancy fees and consider a cost-effective way to improve the setting of consultancy fees, e.g. participating with other UN agencies in a joint exercise to survey and benchmark best practices for fees, including enhancing provision of living allowance versus daily subsistence allowance.	Effectiveness of existing controls	HR	Medium	UN Women is in the process of exploring the feasibility of adopting UNDP's new IPSA and NPSA contractual modalities for its affiliate personnel. The new contractual modalities provide a revised policy framework, better compensation packages and benefits. The new modality already includes guidelines on fee structures and cost of living component	31/12/2022
13. Performance evaluation were not always result-focused	Recommendation 13: The Director, HR to revise the performance evaluation template for consultants to align with TOR deliverables and to ensure the evaluations measure the quality and timeliness of work. In addition, the HR Division to provide guidance to hiring offices and require that Heads of Office maintain a quality assurance mechanism for consultant performance evaluation.	Effectiveness of existing controls	HR	Medium	The current evaluation form already allows to copy and paste whatever deliverables are in the TOR, nothing prevents the hiring managers from doing so. We also have controls in place to ensure that the evaluation is done as a compliance check. HR conducts yearly performance evaluation trainings for personnel and hiring managers which are attended by 600-800 people each year. Additional guidance will be disseminated through HRP/COPs to remind hiring managers of the importance of conducting performance evaluations aligned with TORs.	31/12/2022
14. Need for a centralized and automated system for knowledge management, filing systems and data protection	Recommendation 14: The Director, Human resources to: (a) Mandate Heads of Office to ensure that hiring units store and protect consultants' files properly using SharePoint, where needed asking the Information Systems and Telecommunications Section for assistance; and (b) Disseminate through Community of Practice the existing checklist with mandatory documents to be filed. During implementation of the data protection and data privacy policy, sensitive documents should be identified and flagged for adequate protection	Effectiveness of existing controls	HR	High	The data protection elements will be addressed as part of the development and implementation of the information governance policy/guidelines. As for the checklist, it already exists and HR will ensure this is revised as needed and disseminated through HRBPs and HR COPs.	30/06/2023
15. VCC modality not clearly defined in policy and did not always provide best value for money.	Recommendation 15: The Director, DMA, in consultation with the Director, HR, to: (a) Better define the VCC modality in relevant policy. (b) Establish clear guidelines on when to engage VCCs and how to properly manage the vendors (including under LTA) and the subcontracted consultants, to ensure that UN Women's interests and the interests of the personnel recruited by vendors are protected, and that best value for money is derived from VCC arrangements. (c) For those above-mentioned cases, consider more appropriate personnel modalities to engage VCCs at headquarters.	Vendor-contracted consultants	DMA	High	DMA will continue to review how best to utilize the VCC modality without losing the flexibility that this modality offers. DMA sees a role for HR in administering the HR aspect of VCCs	31/12/2022

# ANNEX 1: DEFINITIONS OF AUDIT TERMS, RATINGS AND PRIORITIES

## A. AUDIT RATINGS

<b>Satisfactory</b>	The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
<b>Some Improvement Needed</b>	The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
<b>Major Improvement Needed</b>	The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
<b>Unsatisfactory</b>	The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.

## B. PRIORITIES OF AUDIT RECOMMENDATIONS

<b>High (Critical)</b>	Prompt action is required to ensure that UN Women is not exposed to high risks. Failure to take action could result in major negative consequences for UN Women.
<b>Medium (Important)</b>	Action is required to ensure that UN Women is not exposed to risks. Failure to take action could result in negative consequences for UN Women.
<b>Low</b>	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 management, either during the exit meeting or through a separate memorandum subsequent to the fieldwork. Therefore, low-priority recommendations are not included in this report.



UN WOMEN IS THE UN ORGANIZATION  
DEDICATED TO GENDER EQUALITY AND THE  
EMPOWERMENT OF WOMEN.  
A GLOBAL CHAMPION FOR WOMEN AND GIRLS,  
UN WOMEN WAS ESTABLISHED TO ACCELERATE  
PROGRESS ON MEETING THEIR NEEDS  
WORLDWIDE.

UN Women supports UN Member States as they set global standards for achieving gender equality, and works with governments and civil society to design laws, policies, programmes and services needed to ensure that the standards are effectively implemented and truly benefit women and girls worldwide. It works globally to make the vision of the Sustainable Development Goals is a reality for women and girls and stands behind women's equal participation in all aspects of life, focusing on four strategic priorities: Women lead, participate in and benefit equally from governance systems; Women have income security, decent work and economic autonomy; All women and girls live a life free from all forms of violence; Women and girls contribute to and have greater influence in building sustainable peace and resilience, and benefit equally from the prevention of natural disasters and conflicts and humanitarian action. UN Women also coordinates and promotes the UN system's work in advancing gender equality.



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