

# Internal Audit of Staff Recruitment

December 2018

Office of Internal Audit  
and Investigations (OIAI)

Report 2018/14



*Sections of this report have been redacted in accordance with paragraph 9 of Executive Board decision EB2012/13, which states that a report may be redacted if particularly sensitive (relating inter alia to third parties or a country, government or administration); or compromising to a pending action; or likely to endanger the safety or security of any individual, or violate his or her rights or invade his or her privacy.*

## Summary

The Office of Internal Audit and Investigations (OIAI) has conducted an audit of staff recruitment in UNICEF. The audit was conducted from May 2018 to August 2018, and covered the period from January 2017 to August 2018. The objective of the audit was to assess the adequacy and effective of the governance, risk management and control processes over staff recruitment in UNICEF.

Over the last two to three years, UNICEF has been reforming its human resources management in general. The recruitment process has been the first major focus of this.

The audit reviewed the design of UNICEF's human resources management strategies, policies, processes and tools pertaining to recruitment. These were among the primary responsibilities of the UNICEF Division of Human Resources (DHR). The audit also reviewed the application of the recruitment strategies, policies, processes and tools by line management across UNICEF and the on-boarding process; this is the tail-end of the recruitment process. The on-boarding of staff was among the primary responsibilities of UNICEF's Global Shared Service Centre (GSSC) in Budapest.

UNICEF recruits staff through several methods – competitive selection with vacancy announcements issued, direct selection from talent groups, lateral reassignments without competition, single-source recruitment, and executive decision. DHR had reported that, for the six months ended 30 June 2018, UNICEF processed a total of 1,289 staff requisitions across the different recruitment methods. These requisitions related to staff in the international professional, general services and national professional officer categories in all UNICEF locations.

In each of the areas covered in the audit, the audit identified a good number of positive practices. These are captured in the respect the observations. In general, however, the audit found that DHR had made commendable efforts as part of the current reform to strengthen and improve recruitment in UNICEF. The policies and practices in recruitment have evolved and introduced flexibility in recruitment sourcing and assessment technique. GSSC's management of on-boarding was also found to be good.

### Action agreed following audit

However, the audit also found that there are still areas to improve controls and enhance recruitment in UNICEF. As a result of the audit, and in discussion with the audit team, DHR has agreed to take a number of measures, in association with the GSSC and other divisions and offices as appropriate. These include a number of actions that are rated as high priority – that is, requiring immediate management attention. These are as follows:

- DHR agrees to conduct a comprehensive review to identify all remaining elements of the recruitment reform, and implement an action plan with timeline and resources to build the capacity of offices to ensure effective implementation of the reform. It also agrees to strengthen guidance as necessary.
- DHR agrees to review the application of the Human Resources Business Partnering model in UNICEF, define all its component parts to ensure they best fit UNICEF's needs, and develop guidance on its use. It also agrees to strengthen communication with GSSC, regional and country offices on its application.

- DHR agrees to review and finalize the mandate of the Recruitment Monitoring and Evaluation Unit, strengthen segregation of duties over the recruitment process, and review and possibly adjust the checklists used by HR staff in the recruitment process.
- DHR agrees to, in addressing challenges related to the Talent Management System, implement best practice in information technology project management – including, but not limited to: formal cost-benefit analyses of various options; feasibility studies; and formal user-requirement identification. DHR also agrees to ensure that key project team members have relevant project management knowledge.
- DHR agrees to clarify responsibilities for strategic development of talent groups, provide comprehensive guidance on the use of talent groups, consider automated system enhancements to display more updated candidate information, and strengthen monitoring and oversight over talent groups

## Conclusion

Based on the audit work performed, OIAI concluded at the end of the audit that, subject to implementation of the agreed actions described, the controls and processes over staff recruitment, as defined above, were generally established and functioning during the period under audit.

# Contents

<b>Summary</b>	<b>2</b>
<b>Objectives, scope and background</b>	<b>5</b>
<b>Audit Observations</b>	<b>7</b>
Recruitment reform strategy and roll-out	7
Human Resources Business Partner model	8
Measuring the recruitment reform	10
Checks and balances	11
Talent management system	13
Talent group management	14
Workforce planning and talent pipeline	17
Selection principles	19
Shortlisting	21
Assessment and considerations	22
Lateral reassignment without competition	23
Due diligence on candidates' backgrounds	24
<b>Annex A: Methodology, and definition of priorities and conclusions</b>	<b>26</b>

## Objectives and Scope

The objectives of the audit were to assess whether governance, risk management and control processes over the management of staff recruitment in UNICEF were adequate and effective. The audit included a review of the strategies, policies, processes, management and monitoring over the recruitment of staff at UNICEF.

The audit included a review of the following key phases of the recruitment framework for the 20-month period from January 2017 to August 2018:

- Strategic planning, policies and measurement
- Implementation planning, sourcing, assessment, approval and on-boarding
- Information management systems and structures

The audit included a review of recruitment data spanning the entirety of the recruitment life-cycle, from the hiring office, through DHR and the GSSC on-boarding unit. The audit did not include rotation, which was regarded as a function separate from recruitment. It also excluded GSSC's calculation of benefits and entitlements.

The audit involved interviews, document review, inquiry, surveys, data analysis and sample transaction testing.

## Background

UNICEF's staff workforce consists of international professional, general services and national professional officer categories, in a combination of regular (89 percent) and temporary (11 percent) post types. At the time of the audit in September 2018, the global workforce across UNICEF country, regional and HQ locations numbered 14,097.

UNICEF's revised Staff Selection Policy (CF/AI/2016-005), which came into effect on 1 February 2017, aims to give hiring managers, in partnership with HR, greater flexibility to shape the staff recruitment process, ensuring the right approach for the position for which they are recruiting. The policy devolves approving authority levels to the hiring managers, and rather than external advertisement as the preferred sourcing method, prioritizes direct selection from talent groups. The policy also encourages the use of lateral reassignment transfers without competition as a management tool. The policy includes the selection process for regular and emergency fixed-term and temporary appointments in all staff categories.

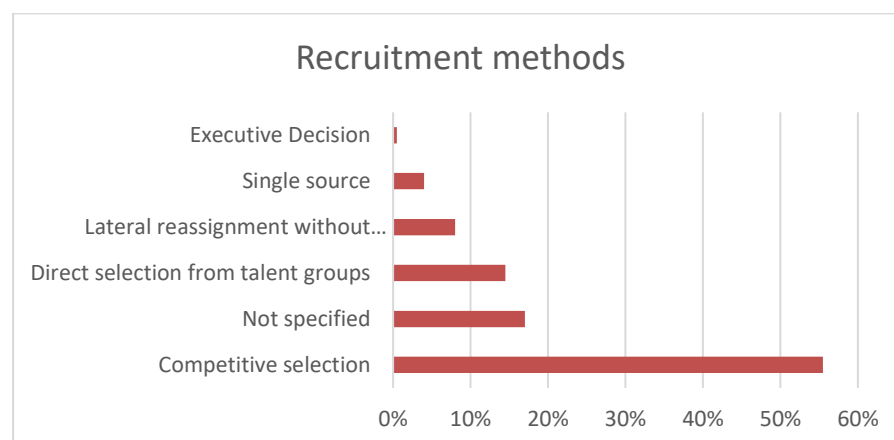
There is an anomaly in the recruitment process – the New and Emerging Talent Initiative (NETI) Programme, which focuses on attracting experienced professionals at mid-career level. Also, some posts are filled not by recruitment but by rotation. The Senior Staff Rotation and Reassignment Exercise and the managed geographical rotation of non-senior staff were not reviewed in this report.

DHR reports that, for the six-month period ended 30 June 2018, UNICEF processed a total of 1,289<sup>1</sup> completed staff requisitions across the different recruitment methods. These related

---

<sup>1</sup> DHR tracks the recruitment requisition from the date of advertisement closing to the date of notification to GSSC. See observation *Talent Management System*, regarding the data which was not specified.

to staff in international professional (IP), general services (GS) and national professional officer (NO) categories. This included staff across all UNICEF locations in the HQ and field. The chart below shows the split between different types of recruitment methods.



UNICEF introduced a new Talent Management System (TMS) in 2016 and has continued to make enhancements to the system to support the new Staff Selection policy. The external vendor of the TMS software provides client service architecture for UNICEF's use of the system, and maintains UNICEF's master TMS data offsite. TMS includes three modules: Recruitment, On-boarding<sup>2</sup> and Performance Management. The recruitment module is managed in NYHQ, while the on-boarding module is owned by the Global Shared Service Centre which manages the on-boarding for all UNICEF staff.

<sup>2</sup> On-boarding is the process of issuing the offer letter, determining and processing entitlements, and gathering required information, forms and clearances to assist the staff with arriving and settling into their new office and duty station.

## Audit Observations

### Recruitment reform strategy and rollout

The current human resource reform consists of three pillars: recruitment, business partnering, and performance management. On 7 December 2016, the new Staff Selection policy,<sup>3</sup> a key component of the recruitment pillar, was introduced with effective date of 1 February 2017. This introduced recruitment changes such as decentralizing the approvals for IP recruitment, redefining key roles and responsibilities, reinforcing the use of talent groups as the preferred recruitment method, flexible interview approaches, etc. Subsequently, in July 2017, DHR created the Human Resources Business Partnering Section (HRBPS) to implement a business partnership model that would transcend all aspects of human resources management including, but not limited to, recruitment; this is covered in separate observation later.

The impetus for the recruitment reform arose from concerns raised in response to Global Staff Surveys in 2011 and 2014 that IP recruitment in UNICEF was highly centralized, rigid and took very long time. The DHR 2014-2017 Office Management Plan (OMP), and its update in 2016, had acknowledged these concerns. The UNICEF 2018-2021 the Strategic Plan had encouraged DHR to continue to pursue the priority areas, including simpler, faster and more targeted recruitment on the basis of staffing plans with an aim to enhance the overall quality and diversity of UNICEF talent.

The audit noted the following.

**Strategy:** The audit did not find a clear strategy to implement the three pillars of the reform. While DHR had clearly outlined the ‘what’, it had not yet established the roadmap (the “how”) of the recruitment reform. DHR had identified the need for ‘a strategically designed change management process’ and secured US\$ 3m in funding to support the implementation of a talent acquisition strategy. The 2018-2021 DHR OMP stated that such a strategy existed; however, it was not readily available to the audit. DHR instead provided the audit with a link to its 2018-21 strategy, which had just been published while the audit was in progress. A review of the strategy showed that it contained very limited information on the main goals of the reform and how these were expected to be achieved.

**Recruitment reform roll-out planning:** The audit did not find a clear roadmap for the implementation of the reform. Although activities for two pillars of the reform related to recruitment were underway, as indicated above, at the time of the audit there was no concrete plan for the roll-out of the reform, with regard to the scope, timing, sequence, resources, and skills required at all levels of UNICEF.

**Capacity to implement the recruitment reform:** A major challenge faced since the introduction of the new recruitment policy has been the lack of capacity in field offices to implement the additional IP recruitment responsibilities. The audit noted that the report on the *Review of the Human Resource Structure and Capacity in UNICEF Regional and Country Offices*, commissioned by DHR in May 2017 and issued in May 2018, had recommended the allocation of sufficient staffing to create appropriate HR structures in all seven regions. Timely implementation of this would require a feasible action plan with timeline and resources. The

---

<sup>3</sup> The policy document reference is CF/EXD/2016-007; the related Administrative Instruction, CF/AI/2016-05.

capacity matter was discussed at the OneHR Leadership meeting on 21 June 2018, and an action plan was under consideration at the time of this draft audit report.

**Guidance on the implementation of the recruitment reform:** Working guidance for staff on how to implement the new staff selection policy was late in coming. Though there was an HR reform brochure issued in early 2017 that outlined the three pillars of the reform, the more detailed *Recruitment Reform Implementation Guidance Book* was only released in December 2017. DHR stated that they held webinars and provided consultation throughout the transition period in 2017. However, the audit's surveys of a sample of hiring managers, local focal points and HR staff found that the policy roll-out was too fast, procedures were frequently changed without adequate consultation, and guidance on new requirements could have been improved.

**Agreed action 1 (high priority):** The Division of Human Resources agrees to:

- i. Conduct a comprehensive review and identify all remaining elements of the recruitment reform as well as the related strategy, roadmap, required resources and timeline to implement them.
- ii. Implement action plan, with timeline and resources, to build the capacity of offices so as to ensure effective implementation of the recruitment reform.
- iii. Review the existing guidance on implementation of the recruitment reform, identify any gaps, and address them as appropriate.

Responsible staff: i. HR Manager, COE Recruitment, ii. HR Manager, COE Recruitment RO. iii. HR Manager, COE Recruitment RO.

Target date for completion: i. 31 March 2019. ii. 31 March 2019. iii. 31 March 2019.

## Human Resources Business Partner (HRBP) model

The introduction of a Human Resources Business Partner (HRBP) model was one of the three pillars of the DHR reform. The goal was to position DHR as a strategic partner in support of its client divisions and offices. To implement this model, DHR had created a Human Resources Business Partnering Section (HRBPS) in July 2017 with a current staff of 22, some whom are embedded in the client divisions and offices in NYHQ. A human resources business partnership should have three main elements – the business partners, the Centres of Expertise (CoEs) for specialized policy and practice design, and the service centres for routine administration.

The audit found that implementation of the HRBP model to be an ongoing challenge as regards to recruitment. Specifically, it noted the following.

**Human Resources Business Partnering:** According to the brochure on DHR reform, with the introduction of HR Business Partners, the HR function would move from a process-driven approach to one of strategic support. HR Business Partners would be 'one-stop shops' for their clients, and support both managers and staff through the full employment cycle. However, while some HR partners were embedded in or allocated to client divisions and offices in NYHQ, it was not clear how the HRBP set up was structured to support regional and country offices. The audit was not provided an organizational framework for the HRBP, including headquarters, regional and country offices.



Prior to establishing the HRBPS, DHR had a separate Emergency Surge and Recruitment Section (ESRS) supporting recruitment for country offices in L2 and L3 emergencies.<sup>4</sup> It was not clear how the ESRS would work with the HRBPs, or whether it was itself considered a separate HRBP for the emergency countries. At the time of the draft report, neither had this set-up yet been revisited with respect to the unit's resourcing and approach.

The workplan of the HRPB unit included four broad tasks: strategic business partnering, acting as change agent, employee championing, and relationship management. It stated that the HRBP unit would collaborate with CoEs, Regional HR teams and GSSC to support the rollout and implementation of HR Reform, policies, practices, tools, and much more.

The audit found, from its survey of and discussions with a sample of hiring managers, local focal points and regional HR staff, that there was inconsistent understanding of how the HRBP model is to work across UNICEF and be applied at country and regional levels. Some viewed the model as supporting NYHQ divisions, with little value for the field. The audit also found a need for better clarification of recruitment responsibilities between HRBPs, the hiring manager and the GSSC on-boarding unit, especially with regard to communications with the candidate. Guidance to country and regional offices on the new HRBPs was in the content of two Change Agents workshops in NYHQ in 2017.

**Recruitment Centre of Expertise:** The recruitment CoE appeared to be the only one so far and, like other parts of the reform, it had been late in being set up. The one person in the recruitment CoE assumed the role on 1 June 2018. The key deliverables in the draft terms of reference of the CoE include: a talent-acquisition framework; capacity building for HR and hiring managers; digital tools and business solutions to support talent acquisition; talent-group maintenance; monitoring and reporting on recruitment data and key performance indicators (KPIs); and a catalogue of candidate assessment techniques. Many of these tasks are critical to the success of the recruitment reform; however, there was no detailed workplan for the CoE with timelines or related estimate of resources required, and it was not clear that it had the resources it needed.

**Agreed action 2 (high priority):** The Division of Human Resources agrees to:

- i. Review the application of the HRBP model in UNICEF, and define the roles of all component parts (including the Recruitment Centre of Excellence, hiring offices, Emergency Surge and Recruitment Section, HR staff in regional and country offices).
- ii. Develop guidance on the HRBP model, and strengthen communication with GSSC, regional and country offices on its application.

Responsible staff: i. Chief, HRBP and Chief, MSS, ii. Chief, HRBP, Chief, MSS and Chief, HR Administration GSSC.

Target date for completion: i. 30 June 2019, ii. 30 June 2019.

---

<sup>4</sup> There are three levels of emergency response: Level 1 – the scale of the emergency is such that a country office can respond using its own staff, funding, supplies and other resources, and the usual Regional Office/HQ support; Level 2 – the scale of emergency is such that a country office needs additional support from other parts of the organization to respond, and the Regional Office must provide leadership and support; and Level 3 – the scale of the emergency is such that an organization-wide mobilization is called for.

## Measuring the recruitment reform

To help DHR establish whether the recruitment reforms were achieving their goals, performance indicators should have been developed beforehand as part of their design. The audit reviewed whether there were meaningful measures and smart targets in place.

**Recruitment reform:** According to the reform brochure and guidance book, the recruitment reform was expected to enable a faster, simpler and more streamlined approach to placing the right people in the right place at the right time. Other key documents also mentioned that recruitment would be more targeted on the basis of the staffing plans, so as to enhance the overall quality and diversity of UNICEF talent.

On speed, the DHR 2018-21 OMP states that it measures ‘the percentage of regular recruitment actions completed within 90 days for international professional positions’<sup>5</sup>. This is somewhat misleading as it does not include the time for GSSC to on-board the candidate. Moreover, while 90 days is the target that DHR has historically used, some steps had now been moved to GSSC – meaning that DHR could have reviewed this target. So while DHR reported that IP recruitment was faster in the period July to December 2017 compared to before the reform, the audit was unable to agree that recruitment was faster.

Moreover, in addition to DHR measuring only part of its cycle, GSSC separately monitored two segments of its on-boarding process: the time to issue the offer letter and table of entitlements; and the time for securing medical clearance. So UNICEF has no ‘macro’ view or measure of the real time to fill a vacancy. Further, the audit noted that overall, DHR had not developed robust indicators to measure the success of the various recruitment streams, such as use of lateral reassignment without competition, talent groups, senior staff recruitment, etc.

DHR was also unable to tell the audit how qualitative aspects of recruitment (such as job performance, tenure, movement into leadership roles, cultural fit, client satisfaction) would be measured. Instead, they mentioned examples of changes linked to the recruitment reform, such as the removal of the requirement for competency based-interviews and the abolishment of the Central Review Board. However, DHR did use methods such as the 2017 Global Staff Survey to assess the impact of the recruitment. In that survey, respondents were asked about their awareness of HR reform, and their confidence in its efficiency and transparency. DHR said that discussions at Global and Regional Management Team meetings also helped keep its finger on the pulse of UNICEF management regarding the reform.

While the audit appreciates that it was still too early to measure the effectiveness of the reform, DHR would greatly benefit from clearly setting out all the expected outputs and outcomes, and defining the data needed to confirm their achievement.

**The HRBP model:** The HRBP unit workplan included nine key performance indicators. Five of these related specifically to recruitment, and two to gender diversity and staff well-being. The other two aimed to measure (1) whether each NYHQ division had an annual staff succession plan and business partner, and (2) client satisfaction using a client survey. However, these indicators were not sufficiently robust to assess the value of the HRBP system in UNICEF, especially given that, as stated above, the HRBP model had not been well developed.

---

<sup>5</sup> This was historically calculated as the time between the dates of vacancy closing to the date of issuance of the offer letter.

**Agreed action 3 (medium priority):** The Division of Human Resources agrees to:

- i. Design an integrated framework for measuring the success of the recruitment reform, both overall and its various elements.
- ii. Review and revise the measures and targets for assessing the various elements of recruitment in UNICEF. This should factor in all elements of the recruitment life-cycle, and incorporate quantitative and qualitative aspects.
- iii. Review the performance indicators and targets for the HRBP system, and refine measurement and analysis of its added value.

Responsible staff: i, ii and iii: Chief, HRBP, Chief, MSS, and HR M&E Specialist.

Target date for completion: i, ii and iii. 30 September 2019.

## Checks and balances

Appropriate checks, balances and segregation of duties<sup>6</sup> are important for effective governance of recruitment. The challenge is to assign specific roles and coordinate the work of responsible groups so that there are neither gaps nor unnecessary duplications in controls.

The audit found gaps in the checks and balances in the first and second lines of defence<sup>7</sup> over UNICEF recruitment.

**Review and approval of recruitment (the first line of defence):** The new staff selection policy (CF/AI/2016-005) decentralized accountability for recruitment of international professionals at P1-P4 levels to the heads of the respective hiring offices. The policy requires endorsement of the selection decision by the hiring manager. It then requires approval by the approving authority, who should not have been involved directly or indirectly with the selection process and who takes the final selection decision. This is typically the head of the office in question.

To help hiring offices ensure compliance with specific aspects of recruitment policy, DHR had introduced a policy checklist to be completed by the HR staff assisting the hiring manager. A review of the checklist noted that it needed to include some qualitative aspects of the sourcing and assessment stages of recruitment, such as whether there were assessment criteria or reference checks. The audit found that some checklist questions duplicated requirements in the TMS requisition, while others duplicated information in the selection panel report.

The audit noted that predefined approval workflows were created in TMS for the different recruitment streams (such as P1-P4, P5, etc) for use by hiring offices in processing recruitment actions. In a review of a sample of recruitment cases, the audit found gaps, as follows:

- In some cases, selection of the wrong workflow in TMS enabled persons without the required authority to approve the recruitment requisition. In one such case, one P5 approved recruitment of another (and the approving P5 was also the hiring manager).

<sup>6</sup> Segregation of duties is an important principle by which no one staff member has the ability to execute too many key stages of a process (such as recruitment) on their own; if they are able to do so, there is a higher risk of inappropriate transactions.

<sup>7</sup> In the Institute of Internal Auditor's Three Lines of Defence model, management control is the first line of defence in risk management. The various risk control and compliance oversight functions established by management are the second line of defence, and independent assurance is the third. Each of these three "lines" plays a distinct role within the organization's wider governance framework. Management establishes these second and third lines to ensure the first line of defense is properly designed, in place, and operating as intended.

- In other cases, the HRBP or local focal point selected the TMS workflows, which allowed them to approve the recruitment in TMS on behalf of the approving authority concerned. In these cases, the approval was generally offline in an email. There was no consistency in the format and content of how offline approvals were uploaded in TMS.
- In other instances, the approval authority was left blank. DHR had asked the TMS contractor to make this field mandatory, but it had not been done.
- Incorrect names of hiring manager were often added in TMS.
- There was no system control to prevent a hiring manager from also approving the corresponding requisition.

TMS does not have a robust audit trail enabling review of exceptions, or for oversight generally. Once a recruitment requisition is approved in TMS, it is the responsibility of the hiring office to ensure it is submitted in TMS for the GSSC to commence on-boarding.

**Second line of defence:** The first line of defence was largely made up of the management controls described in the preceding paragraphs. As part of the recruitment reform, in May 2018 during the audit, DHR abolished the Central Review Board (CRB) as it was considered an ineffective second line of defence. As an alternative, DHR created a Recruitment Monitoring and Evaluation (RME) function with a dedicated P4 staff member to conduct *post-facto* reviews of recruitment on a sampling basis. The incumbent, who was recruited in September 2018, was still new, and the role and approach of the RME had not been finalized – leaving a gap at the second line of defence level. DHR said it was still unclear how this role would function in practice and how it would contribute to the transparency and fairness of the recruitment process.

A review of the Decision Memo on the creation of the RME function and policy also showed the need for DHR to review and possibly adjust the scope of the RME to include not only candidates, and internal posts at a higher grade or different category, but also lateral reassignments and selection of staff from talent groups.

**Quality assurance, monitoring and oversight:** At NYHQ level, DHR was strengthening its HR analytics and reporting functions to support its oversight role. The newly launched OneHR Dashboard, and the DHR workforce and recruitment report, gave overall statistics on workforce diversity and recruitment speed.

The regional offices implemented varying controls and oversight activities for recruitment in their country offices. Some required reporting of the status of recruitment and DHR quality assurance prior to approval by the Regional Director. However, the audit noted that in some cases, the regional director was part of the selection panel, as well as acting as approving authority – which did not represent good segregation of duties. Also, the timing and tools of these manual practices varied. In almost all cases, no region was able to rely on information in TMS to effectively monitor the status of recruitment cases in their region. This created a gap in the decentralized recruitment internal control framework.

**Agreed action 4 (high priority):** The Division of Human Resources agrees to:

- i. Review and finalize the mandate of the RME. The review will cover, amongst other things, the resourcing of the RME and its scope, with the view to making sure it covers all recruitment streams.
- ii. Prioritize closure of system loopholes which permit insufficient segregation of duties

- and weak review of recruitment activity.
- iii. Review and possibly adjust the policy checklist to be completed by the HR staff assisting the hiring manager, with a view to including some qualitative aspects of the sourcing and assessment stages of recruitment, such as whether there were assessment criteria or reference checks.

Responsible staff: i. HR M&E Specialist, ii. HR M&E Specialist, HR Specialist (SPO/TMS), iii. HR M&E Specialist, Recruiting COE.

Target date for completion: i. 31 March 2019, ii. 30 June 2019, iii. 31 March 2019.

## Talent Management System (TMS)

Effective data and information management is critical to the efficiency and oversight of recruitment in large-scale enterprise such as UNICEF. The external study in October 2013 had suggested an HR solution for recruitment, on-boarding, succession planning, career development and performance management modules.

Following a standard procurement process, DHR entered into a contract in February 2016 with a vendor for TMS. This is a “software-as-a-service” based solution, which allows UNICEF to use the software while the vendor hosts it. The subscription, which is renewable, expires in October 2019. DHR currently subscribes to three modules: recruitment, on-boarding and performance management. To meet UNICEF specific needs, the vendor system had been ‘tweaked’. Moreover, the subsequent recruitment reform and the new 2017 staff selection policy demanded more ‘tweaks’.

Staff interviewed by the audit acknowledged that TMS was an improvement on the legacy systems, but also consistently noted that TMS was a major challenge in recruitment. DHR also acknowledged in its OMP that the implementation of integrated HR systems had not reached its full potential, and that ‘inadequate management information systems on HR staffing data has presented some risks and challenges in supporting and monitoring the reform, and associated indicators.’ Several persistent challenges relate to technical issues and system limitations. Some of the challenges identified by the audit suggest that the identification of user requirements, design and user acceptance testing were not sufficiently robust to accommodate UNICEF current and foreseeable business needs. The system is being used more as document repository for regular recruitment, and not to track and monitor recruitment performance and support management decision.

**Data integrity:** Due to a combination of system design, configuration and poor user data-entry, the 2017 data in TMS was not reliable. As a temporary workaround, DHR had been maintaining an Excel sheet in SharePoint of manually cleaned-up data from each UNICEF field office. This was used to run KPIs in 2018. This workaround has since become permanent, as the vendor confirmed in May 2018 that it was not possible to bulk upload corrected recruitment data back into the TMS system. Another bar to reliable data was the frequent changes by DHR of the data taxonomy in TMS.

**Manual processes:** There were many aspects of the recruitment process that were not streamlined and integrated into the TMS process. These include the many manual work-arounds, such as the use of Excel spreadsheet ‘flag’ reports containing information on Talent Group candidates and abolished posts. These were necessary to compensate for the gaps in talent search capability.

**Vendor support:** Access to data and meaningful extraction of information from TMS have been a challenge. The DHR TMS team explained that the reporting analytical module of TMS was not functioning. As another workaround, therefore, the vendor had agreed to send an encrypted FTP file of recruitment data to UNICEF on a daily basis. DHR stated that there were frequent time-lags and errors in the data reports.

**Guidance and training:** Though TMS went live in Feb 2016, there is still no standard operating procedure or full functionality guidance manual developed for users. TMS training was provided in regions in 2016, webinar updates in 2017 and 2018, and training of TMS focal points in February 2018. There are also some specific 'How to' guides on the intranet. However, many hiring managers told the audit that they did not have formal training on TMS and that they had to learn on the job via word-of-mouth.

**Going forward:** DHR has been working closely with the vendor. However, to date UNICEF has incurred expenditure of nearly US\$ 25 million on the use and administration of the software. At this rate, it is anticipated that the expenditure will exceed the current annual budget of \$2.8 million by approximately US\$ 800,000 by 31 October 2019, the end date of the five-year contract. Meanwhile, after two and a half years and much effort and resources invested in TMS, UNICEF still did not have a system that meets its business needs. DHR had started to look for possible options, including those other UN agencies are using (for example Inspira, PeopleSoft, and SAP-Success Factors).

In August 2018 the HR-ICT Board approved a recommendation from DHR and the Information and Communication Technology Division (ICTD) to explore new alternatives that would best meet the key and evolving HR business requirements, taking into account the lessons learned from the previous selection process for the current TMS. To this end, a Project Team was established. A review of the minutes of the HR-ICT Board and draft terms of reference of the Project Team showed that DHR was keen not to repeat the mistakes related to the rollout of TMS. This, in the view of the audit, will require deployment of best practice in IT project management – including, but not limited to, formal cost-benefit analyses of various options, feasibility studies, formal user-requirement identification, and enrolment of key project team members in relevant project management certification courses.

**Agreed action 5 (high priority):** The Division of Human Resources (DHR) agrees to, in addressing challenges related to the TMS, implement best practice in IT project management – including, but not limited to, formal cost-benefit analyses of various options, feasibility studies, and formal user-requirement identification; and ensure that key project team members have relevant project management knowledge, such as in PRINCE2.<sup>8</sup>

Responsible staff: DHR Directorate, HR-ICT Board, Sr. BRM, ICTD, Chief, SPO, Chief, MSS, HR Manager, COE Recruitment, HR Specialist (SPO/TMS), Regional Office.

Target date for completion: Ongoing through 31 March 2020.

## Talent group management

The new staff selection policy states that the first preferred sourcing method to be used to fill a vacant post should be direct selection from talent groups. Where they are deemed insufficient, hiring managers may advertise a vacant post. UNICEF talent groups must be

<sup>8</sup> PRINCE2 (PProjects IN Controlled Environments) was devised by the UK Government for management of IT projects, and is now used in a number of countries. It stresses division of a project into manageable and controllable stages.

composed of candidates who have undergone a competitive selection process. A hiring manager may directly select a candidate from a talent group and submit their recommendation to the approving authority, without having to formally assess the candidate and convene a selection panel. However, the audit found significant gaps in the design and application of the talent-group framework.

**Talent Group Use:** The audit found that talent groups were not being used that widely for sourcing staff. In the June 2018 DHR Recruitment report, only 17 percent of recruitment was done this way. Discussions with hiring managers indicated that the system was cumbersome to use and lacked credibility in the strength of the prior screening of talent group candidates.

Hiring managers felt they wasted time reviewing the talent-group candidates, as they were frequently no longer available or were not interested. There was no mechanism for keeping candidates informed or updating information on their availability, interest and preference. Without periodic contact with the candidates, the risk of an increasing number of uninterested candidates grows over time.

In over half the cases reviewed where staff did get recruited from talent groups, the hiring managers undertook at least an additional interview, with some also requiring a written test – a duplication of effort, as the candidates had already been assessed for their technical ability. In some cases, referees were contacted to provide a second reference. Part of the problem was that information was not readily visible in TMS on what prior technical testing, interviews and reference checks had been done.

The audit also found that, when selecting from talent groups, the hiring manager only needed to justify the selection of the preferred candidate, not how they might have reviewed other potential candidates with similar credentials. This raised concerns regarding the fairness and transparency of the process. Some of the sampled hiring managers and candidates stated that candidates needed a personal network to be hired from a talent group.

**Talent Group setup and content:** Also lacking was an overall strategic approach in the setup of talent groups, as a means to help develop talent pipelines in needed skill areas. Talent groups should be maintained in a number of functional areas prioritized on UNICEF's current and projected staffing requirements, but the audit found this was not being done across the board.

At the time of the audit, there were 306 talent groups containing 2,381 names, across the IP, NO and GS staff categories. Most were not well populated, many with one name. Some regions had many talent groups, while other regions and offices had few or none. The list of talent groups also did not reflect the diversity of some of the technical specialities in UNICEF – for example, it neglected Deputy Representatives, a continuing need in UNICEF.

The details of talent-group candidates are maintained in a TMS talent-group flag report, which the HRBP emails to the hiring manager (as a TMS workaround) so that they may review potential candidates. The audit noted that the flag report lacks potentially useful information, such as the prior screening of the candidate, or even a requisition reference number so that the hiring manager can look up this information elsewhere in TMS. It is also not possible to easily validate the source of the candidates' inclusion in the talent group (by the CRB or an individual) or the expiry date for each candidates' validity.<sup>9</sup> In a sample of 17 candidates not

---

<sup>9</sup> The staff selection policy that states that candidates placed in talent groups remain active for 36 months. Prior to 1 February 2017, the practice was for 24 months.

added by the CRB, DHR was not able to provide the source of inclusion for 10 of them, increasing the risk of invalid candidates in the talent groups.

**Candidate additions:** The *Guidance Book* and Staff Selection Policy define three ways in which candidates can be added to talent groups:

- Candidates who have undergone a competitive selection process, and been found suitable runners-up to the selected applicant.
- Candidates who have applied for a Generic Vacancy Announcement (GVA) and been recommended for inclusion in a talent group.
- Candidates who have applied to the NETI programme and recommended for inclusion in a talent group.

The audit found issues in each entry point. Regarding the first channel, prior to the abolition of CRBs in May 2018, the respective CRB (HQ, RO, CO) was responsible for adding candidate IPs to the talent groups following its approval of the recruitment. The audit found ambiguity as to how this would now be done. This increases the risk of incorrect and missed entry into TGs. The audit sample testing found high instances of missed inclusion of local emergency candidates into appropriate talent groups.

Regarding the GVAs, the audit found that they were not being used proactively to populate talent groups for future recruitment needs. Candidates in the groups consisted mostly of those recommended but not selected after applying to ordinary VAs. A contributory factor may be that the GVA recruitment workflow was not introduced until 2018. DHR was not able to provide the audit with a list of GVAs advertised in 2017 and in 2018, as information in TMS was inconsistent and incomplete.

On the third entry channel, the NETI scheme, the audit looked at a sample of NETI candidates that had been placed and found that they had mostly also applied for other vacancy announcements within UNICEF and been processed accordingly, as well as being processed for their NETI application – a duplication of effort. The audit also noted some NETI selected candidates being added to the wrong functional talent groups in TMS, which reduced the likelihood of placement.

In general, the audit found that some candidates were incorrectly added to talent groups – for example, candidates who had undergone a less rigorous review process in lateral reassignment and temporary appointments. Hiring managers also expressed concern regarding the credibility of candidates being added without the knowledge or involvement of subject-matter experts/offices.

**Candidate removal:** The audit found that there was no clear process or assignment of responsibilities for the removal of candidates from talent groups. When the audit asked about this in the case of IPs, different respondents ascribed responsibility to different people or bodies, including the HRBP, TMS team, hiring manager, local focal point and CRB. It was also not clear whether a candidate should be removed if they had found an alternative role prior to, or only on, the expiry date. TMS has no automatic removal. Of the audit sample, 40 percent were still included beyond their expiry date.

**Guidance and Oversight:** Other than the new staff selection policy, and a limited TMS step guide for creating TGs, there are no standard operating procedures for managing talent



groups. This is especially important with the decentralization of much IP recruitment and the abolition of CRBs.

Similarly, there was an absence of oversight over the management and use of talent groups at the different levels in UNICEF. This was exacerbated by the lack of HR capacity in the field and by data integrity issues.

DHR had not identified a strong measure for assessing the successful use of talent groups. The current indicators focus primarily on speed. One KPI includes a target of '50 percent of Generic Vacancy Announcements/talent groups to be completed within a four-month duration',<sup>10</sup> while the *Reform Guidance Book* states that direct selection from a talent group should take an average of 15 days. On the latter, the audit sampling found that 15 days was easily exceeded due to additional candidate assessments. A further KPI relating to talent groups is to measure the 'decrease in advertised competitive vacancy announcements by 10-20 percent (recruitment filled using direct selection and lateral reassignment)'. In any case, these KPIs might be revisited to determine more qualitative measures of the success of TGs.

The draft terms of reference of the CoE<sup>11</sup> acknowledges the above challenges, stating that 'talent group maintenance and accountability lacks structure', and includes responsibility for redressing it.

**Agreed action 6 (high priority):** The Division of Human Resources agrees to:

- i. Clarify responsibilities for strategic development of talent groups, including the targeted use of Generic Vacancy Announcements, and for the different elements of talent group management.
- ii. Provide comprehensive guidance on the use of talent groups, including their creation, criteria for candidate entry and removal, and information management.
- iii. Consider system enhancements to automate and display more candidate information (e.g. skills, preferences, status, availability, etc.).
- iv. Strengthen monitoring and oversight over talent groups.

Responsible staff: i. HR Manager, COE Recruitment, ii. HR Manager, COE Recruitment, iii. HR Manager, COE Recruitment, HR Specialist (SPO/TMS), iv. HR M&E Specialist.

Target date for completion: i. 31 March 2019, ii. 31 March 2019, iii. 31 March 2020, iv. 31 March 2019.

## Workforce planning and talent pipeline

The audit found that guidance and practices for HQ workforce planning were not highly developed. Other than the longstanding requirement to prepare OMPs with budget justification for new positions, office recruitment planning was mostly not done in detail based on a comparative analysis of the current capabilities and forecast needs. Recruitment was generally undertaken on a case-by-case basis, and there were gaps in the guidance and support on workforce planning provided by the HRBPs to the hiring offices.

At the wider level across UNICEF, there was no broad comparison of workforce supply and demand or identification of gaps within the cycle of the strategic plan. There is a flexible menu of recruitment sourcing options and staff rotation, and many mechanisms for the movement

<sup>10</sup> It states that this is from issue of shortlist to notification to candidate.

<sup>11</sup> Centre of Expertise. See page 8 above.

of staff talent around UNICEF – but no overall approach to determination of skills needs and management of talent pipelines. The needs for better succession planning<sup>12</sup> and a more strategic approach to rotation<sup>13</sup> to improve the internal talent pipeline were also noted in the audit surveys.

The audit also noted the following specific areas.

**Technical talent pipelines:** Validation of candidates' technical qualifications and skills is key to ensuring competency and ability to do the job, while technical involvement in the hiring process is also important for creating appropriate long-term talent pipelines. However, technical clearance usually occurs at the end of any individual selection process and provides little opportunity to influence technical recruitment globally.

**Training and outreach:** UNICEF generally does not have mainstream technical career-path training programmes, and has had a history of varying management training. It is commonly perceived that external hires bring the majority of their technical skills with them when they join as an external candidate. The audit noted varying approaches to outreach for attracting talent from outside the organization. It was not clear how the field offices were working with leadership in functional areas within the organization to leverage their technical and other networks for outreach and sourcing purposes.

**New and Emerging Talent Initiative:** The NETI programme has been referred to at several points in this report. UNICEF's recruitment tends to be on a case-by-case level, and does not promote informed long-term strategies for filling critical gaps. The introduction of NETI about 10 years ago was designed to partially address this by filling functional talent gaps in UNICEF at the P3 level.

The 2016 NETI recruitment campaign (the ninth of its type) followed a survey and workforce analysis that identified five functional areas,<sup>14</sup> and the 2017 campaign, through a different approach, identified two functional areas to target for the tenth NETI exercise. After launching comprehensive Generic Vacancy Announcements in these two cohorts, from a total of 9,980 applicants in the long lists, UNICEF selected 129 NETI applicants for placement in talent groups. Through NETI outreach and candidates' own efforts, at the time of the audit, 33 of these 129 individuals had been placed.

Surveys of placed NETI applicants found that many had also applied for separate vacancies while in the NETI talent group, and thus underwent additional screening and assessment, including duplicate rounds of reference checks. As noted in the previous observation regarding talent groups in general, this represented a duplication of effort. In previous years NETI had worked by direct recruitment for individual positions, rather than selection for inclusion into a NETI talent group. The new approach risked inefficient use of resources. It also carried a risk of frustration for candidates from the selection but non-placement of NETI applicants.

---

<sup>12</sup> Succession planning is normally understood as ensuring there will be staff for future leadership roles.

<sup>13</sup> Rotation of staff and senior staff was not included in the audit scope and will be the subject of a separate audit, as appropriate.

<sup>14</sup> Child protection; communication for development; nutrition; social policy; and, monitoring, evaluation and research. The two areas in 2017 were communications and human resources.

The NETI budget for 2018-2021 was US\$ 8.7m, of which 25 percent was for NETI recruitment, orientation and support, and the remainder for subsidies to post costs for placed NETI candidates. The statistics indicated that generally a handful of NETIs remain after five years. Though the NETI unit tracks statistics on the ongoing UNICEF employment of previously placed NETI, there has never been a comprehensive review of lessons learned to assess the cost-effectiveness and value of the NETI programme. Though it is generally considered a positive initiative, the audit was made aware of some perceptions that NETI may create an elitist culture in UNICEF.

**Workforce data:** Information on workforce composition is important for decision making, including recruitment, training, career and succession planning, and talent workforce oversight generally. The TMS Project Charter stated that ‘we will seek out-of-box implementation of career development, succession planning and workforce planning modules’.

In practice, however, there is limited and fragmented information on the makeup of the current workforce at UNICEF. As reflected in the 30 June 2018 Workforce and Recruitment Report, other than overall workforce data on staff category (IP, NO, GS), and gender and geographical diversity, there is limited information on existing staff skills and experience. Information on staff capabilities is largely limited to resume information in their individual profile in TMS, or to information from staff self-assessments if they have completed a lateral reassignment questionnaire in TMS. It was not clear how TMS integrated this information with overall data on UNICEF’s workforce. Also, as noted elsewhere, the TMS talent search function does not work well.

Another source of potential integrated workforce information are the rosters for emergency staff (and consultants), which the Emergency Surge and Recruitment Section said were maintained separately in regions and varied in quality.

**Agreed action 7 (medium priority):** The Division of Human Resources agrees to:

- i. Develop a strategy and approach for organization-wide talent pipeline management.
- ii. Review the applicant technical clearance framework and better integrate this clearance into the global talent pipeline skills strategy.
- iii. Review and strengthen guidance and support on workforce planning.
- iv. Conduct a lessons-learned review of NETI and develop an action plan that is congruent with the strategy and approach called for in 7i above.
- v. Review the sources and content of workforce data and how it can better support talent pipeline management, and develop an action plan accordingly.

Responsible staff: i. Chief, HRBP, Chief, MSS, ii. Chief MSS; iii. Chief, HRBP, Chief, MSS, Chief, SPO, iv. Chief, MSS, HR Manager, MSS. v. Chief, HRBP, Chief, MSS, Chief, SPO.

Target date for completion: i. 30 June 2019, ii. 31 December 2019, iii. 31 December 2019, iv. 30 September 2019, v. 30 September 2019.

## Selection principles

The UNICEF staff rules and policy state the paramount consideration in staffing is securing the highest standards of efficiency, competence and integrity. It places no restrictions on the eligibility of men and women to participate in any capacity and under conditions of equality. UNICEF policy states its commitment to achieving and maintaining gender balance at all levels

of the organization, and that due regard should also be paid to the importance of recruiting staff on as wide a geographical basis as possible.

In addition to the two priorities of gender balance and geographical representation, UNICEF policy states that UNICEF is committed to:

- Selecting staff without any form of discrimination, such as (but not limited to) distinction as to race, sex, sexual orientation, religion or disabilities.
- Giving full regard to internal applicants, and recruiting external candidates when the required skills are not available within UNICEF.
- Fostering the fair sharing of work assignments.
- Geographic mobility for internationally recruited staff by applying tour-of-duty requirements.

The UNICEF policy states that the selection of staff must be competitive as far as practicable while respecting the selection principles.

UNICEF has emphasized the gender balance (male vs. female) and geographic diversity (programme vs. industrial nationality) in its recruitment processes, and closely monitors these two aspects of the UNICEF workforce globally. Administrative Instruction CF/AI/2016-005 emphasizes that selection panels should consider these two principles. The selection report template requires the panel to state, yes or no, whether the diversity principles were considered and whether the appointment has a positive impact on the geographic diversity and gender balance in the office.

Other than this, however, the audit found that there was limited guidance on how to interpret, prioritize and apply the principles of the staff selection policy. This had resulted in inconsistent practices. For example, it was unclear which stage in the recruitment process (sourcing, assessment, selection, approval) the categories of gender and nationality should be considered. On geographical representation, staff can be unsure as to how to consider diaspora candidates with cultural backgrounds different to their national passport, and those with dual nationality. Neither is the policy clear on diversity at the national level, for example with nations with caste and tribal systems, which may have marginalized minority populations. Another ambiguity was whether the priority should be interpreted for each recruitment case, or on the impact of the section, unit or office overall. There is also the quandary of balancing these policies with the question of internal vs. external candidates.

In practice, the policy considerations could also overshadow the UN commitment to secure the highest standards of staff competence. The application of the policy may also provoke perceptions of reverse discrimination on sex and national origin, which in itself contravenes the commitment not to discriminate. In this regard, it was found that this aspect of the recruitment process often leads to uncomfortable discussions within the panel on how to interpret and apply the policy, and hiring decisions that might not necessarily secure for UNICEF the highest standards of competence.

Other than gender parity, which is assumed to mean a 50 percent split between male and female staff at all levels, there are no other gender targets in UNICEF. In each recruitment case, the hiring manager is charged with interpreting the impact that any potential selection will have on that office's gender balance.

**Outreach:** Achieving gender parity remains an ongoing challenge in many field offices with humanitarian and fragile context locations, certain HQ technical divisions and geographical regions. The audit found that there was limited support on an organizational level on how to approach and redress these situations.

Though the Talent Outreach team in DHR had put together an online outreach toolkit, including gender-specific job advertising channels, there was limited guidance on what risks should be assessed and what factors should be considered when choosing them. There was also no mechanism for easy sharing of creative outreach mechanisms<sup>15</sup> or successes.

**Agreed action 8 (medium priority):** The Division of Human Resources agrees to:

- i. Provide more specific guidance for hiring managers on the application of the staff selection policy commitments.
- ii. Consider developing a diversity strategy with targets, factoring in the different circumstances across UNICEF globally, and monitor its implementation.
- iii. Strengthen guidance and tools for diversity outreach, ensuring they are in line with UNICEF's selection principles, and the sharing of lessons and successes.

Responsible staff: i. HR Manager, COE Recruitment, ii and iii. HR Manager, COE Recruitment, HR Officer (MSS/Outreach).

Target date for completion: i. 30 June 2019, ii and iii. 30 September 2019.

## Shortlisting

UNICEF staff selection policy requires that shortlisting be based on criteria reflected in the vacancy announcement, such as qualifications, skills, knowledge and experience for the type and level of appointment. The *Recruitment Reform Implementation Guidance Book* provides further tips on shortlisting considerations, such as diversity and context. The policy requires the selection focal point to prepare the shortlist in collaboration with the hiring manager.

The audit sampling found that, virtually without exception, the shortlisting criteria were based on the vacancy announcement, and that these were in accordance UNICEF standards and had been based on a job description. The hiring manager was also found to be generally involved in the process. However, though the policy states that the approving officer should not be involved, directly or indirectly in the process, for segregation-of-duties reasons, this was often not the case.

The audit also found that the source of the candidates shortlisted was not always transparent in TMS. There was no strong audit trail between the candidates in the TMS longlist and those assessed in the attached selection report. In some cases, the selection report indicated that the shortlist of candidates was received from a regional roster or referred from DHR. In these cases, it was unclear how the candidates were first identified and included in the shortlist. This was most notable in single-sourced senior positions; in these cases, although the justification document for the selection did explain why the candidate was the right fit for the post, it rarely stated how this candidate was selected for review among others. In general, there were gaps for improvement in the shortlisting matrix.

<sup>15</sup> These may include use of United Nations Volunteers, local and international interns, and outreach through universities, scientific institutions, professional associations and thematic magazines, social media, local talent rosters, and private networks, among others.

On the TMS functionality, the audit noted a lack of automated features in TMS to easily and consistently filter applicant pools, based on minimum requirements. This gap meant a cumbersome and time-consuming process for reviewing candidate profiles, particularly the “bulk compile and send” function that generates an unmanageably large PDF, and an unwieldy viewing of candidate details. (The audit does note that, during the audit finalization in September 2018, DHR began forming a business case for a digital candidate screening and assessment platform.)

**Agreed action 9 (medium priority):** The Division of Human Resources (DHR) agrees to assess the existing tools for shortlisting, and explore options for improving its transparency; also to review the automation of tools for the process (e.g. automatic filtering of unqualified candidates, automated search matrices, streamlined candidate details, etc.)

Responsible staff: HR Manager, COE Recruitment.

Target date for completion: 31 March 2019.

### Assessment and considerations

UNICEF staff selection policy provides for flexibility in the assessment of shortlisted candidates. There is a blended approach in evaluation methods and techniques, including technical tests, competency-based<sup>16</sup> or technical interviews, and presentations. Passing criteria for each assessment should be established in advance, and a selection panel should be established.

The audit found that, in the sampled recruitment cases, the selection panel make-up was adequate and that there was generally a minimum of at least three candidates included in the assessment. However, it was not clear how well the holistic approach for candidate assessment had been defined. The quality of the selection report was often poor, either due to key information being left out or due to the inclusion of incorrect information. Sometimes in cases of direct selection, the selection report was absent, and instead an email or note for the record was attached in TMS with a brief narrative justification. This was also the case for approving the recruitment selection, which also affected appropriate segregation of duties.

For senior off-cycle recruitment, the documentation justifying the selections was not sufficiently robust. In one case of recruitment for a D1 position, while two candidates were rated ‘highly suitable’, a third one who was found ‘suitable’ was appointed. In another two cases, though the selection panels found two internal staff qualified and suitable for the posts, external candidates were selected. An external candidate should be appointed only if no internal applicant is found suitable. The justifications for these departures were not adequately documented, and the minutes of the Senior Review Group were not always found to be sufficient.

The audit found that temporary appointments were often not well justified (in some cases there was no justification attached in TMS), and often poor justification in TMS for many single-source recruitment, including no evidence of consideration of suitable candidates in relevant talent groups. Common justification for the single source was that the person had worked with UNICEF previously.

---

<sup>16</sup> The competency-based interviews ask a candidate to demonstrate the core “competencies” that the organization is seeking. Candidates may be asked to demonstrate that they have the necessary skills and experience (“competencies”) by explaining occasions on which they have dealt with the challenges they are likely to meet in the post for which they are applying.

**Considerations:** Irrespective of the method used to fill a position, UNICEF policy requires that due consideration be given to staff on abolished posts and those returning from secondment/loan from other UN agencies. TMS requires the hiring manager to certify, by ticking a box for each, that a review of candidates on ‘abolished posts’ and ‘return to service’ was conducted before proceeding with a recruitment requisition.

The audit found that this TMS control mechanism was not very well applied. Though some hiring managers told the audit that they did review candidates on abolished posts, there was not always evidence in TMS to support this. It was even more challenging for the prioritized category of staff who had completed their tour of duty, as there was no required TMS certification or flag report developed for these.

As discussed elsewhere in this report, due to problems in conducting searches, the workaround review of TMS flag reports is the same mechanism for selecting candidates allowed special consideration. In the case of staff on abolished posts, the details in the flag report are populated from VISION<sup>17</sup> records, whereas for returnees it is manual. The system provides limited assurance for these categories of staff that they have been appropriately considered for placement.

**Agreed action 10 (medium priority):** The Division of Human Resources agrees to:

- i. Refine processes to strengthen the documentation of the assessment and justification for the selection of candidates in all recruitment streams.
- ii. Strengthen the visibility, and monitor the ageing, of staff in special consideration categories to prevent unnecessary displacement.
- iii. Explore means of linking staff in special consideration categories to a talent pipeline strategy and approach.

Responsible staff: i and ii. HR Manager, COE Recruitment, iii. HR Manager, COE Recruitment.  
Target date for completion: i and ii. 30 June 2019, iii. 31 December 2019.

## Lateral reassignment without competition

As a management tool, the staff selection policy allows lateral reassignment of staff on posts at the same grade level without competitive selection. This may be at the same duty station or involve a change in duty station or country. The tool provides flexibility, but there is also a risk of favouritism and improper placement if it is not properly used for organizational needs.

The audit found that the internal control framework for lateral reassignment had limited guidance and visibility. There were two Global Broadcast Messages in March and June 2017 alerting staff to the online option for expressing interest in lateral reassignment, though at the time of the audit there had been no such messages in 2018. Subsequent to the draft report, one Global Broadcast Message was issued on 12 September 2018, for staff to “self-report” primary and secondary areas of expertise, if interested.

As with other recruitment channels, the process for reviewing possible staff for lateral reassignment involved the hiring manager review of possible candidates in the TMS workaround flag report. The flag report included names of staff who had expressed interest in a lateral transfer and had completed the minimum tour of duty in their current duty station.

<sup>17</sup> UNICEF’s main management system (VISION is from Virtual Integrated System of Information).

By its nature, the need to fill a position through lateral reassignment was not publicly announced, and the selection of a candidate was at the discretion of the hiring manager. Hiring managers generally found lateral reassignment gave increased autonomy and flexibility. However, the audit's discussions with staff found concern regarding the fairness and transparency of the mechanism.

This was supported by the audit sample review, which found instances of unclear and inadequate justification for lateral reassignment cases. In some cases the email only included the reasons for hiring the candidate, without justifying the nature of the post or reasons for using the lateral reassignment method. The audit found examples of staff reassigned to a different duty station before the end of their tour of duty, contingency for the approval of the reassignment not being met, and weak evidence of consideration of staff on abolished posts.

Though not a requirement, in just short of half of the cases reviewed, the selected candidates had been included in the flag report for lateral reassignment. The others were contacted directly by DHR or the hiring office. This emphasized a staff concern that successful placement to a position relied on the need for personal networks rather than performance.

**Agreed action 11 (medium priority):** The Division of Human Resources agrees to improve the visibility of the lateral reassignment without competition option, and improve the rigour in monitoring actual cases for validity *vis-à-vis* a regular competitive recruitment process.

Responsible staff: HR Manager, COE Recruitment.

Target date for completion: 31 March 2019.

## Due diligence on candidates' backgrounds

Reference checks are a required step of any good recruitment process, to obtain information about a candidate's behaviour with prior employers that could prevent bad hiring decisions.

UNICEF has traditionally required that written reference checks be obtained, but historically this was done using standard prescribed written questions, rather than in a more informative dialogue on the phone, or through internet or social media searches. Part of the reform has been to encourage hiring managers to expand the checks and use these broader sources, but this was not always done. It was also not evident whether the hiring manager themselves was always involved, rather than delegating the task to a junior local focal point. In many sampled recruitment cases, there was no evidence to demonstrate that academic verifications were conducted.

There was also no evidence that background and criminal checks were conducted for any of the non-senior external recruitment samples reviewed. For senior-level recruitment, there were no robust background checks conducted. In one case, after unfavourable information was found, the hiring decision was endorsed without evidence of sufficient explanation. This is a key risk area, given recent public discussion on issues of abuse of authority and sexual harassment, and the reputational damage to UNICEF

REDACTED

The audit acknowledges the priority that UNICEF management has placed on the matter and the discussions underway to improve staff vetting, through mechanisms such as applicant self-declarations, greater coverage of reference checks and, for senior leadership positions



especially, additional probing with regard to the culture the candidate left in previous roles. The audit was told that annual re-attestations by staff of the validity of original application information were also under consideration.

DHR stated that UNICEF intends to join the UN Global Centre for Human Resource Services (ONEHR) initiative based in Bonn, Germany and that this central point would conduct background checks for UNICEF's new appointments, both internationally and locally recruited. The audit was told that this would take effect from October 2018. A review of the Service Level Agreement noted extended service options offered by ONEHR.<sup>18</sup>

Through the UN Working Group on Sexual Exploitation and Abuse (SEA), a UN database is also being set up to record all UN staff who have been terminated for SEA. The draft guidelines for the database set out how it should be used to ensure that individuals with a record of SEA are not hired or re-hired by a UN organization. The draft guidelines also state that the database may be expanded to include sexual harassment misconduct.

At the time of writing, however, the database was not yet live, nor had UNICEF yet established procedures for integrating database screening into the recruitment process. At the time of writing, there was still no guidance provided to hiring managers on what compensatory measures should be taken to redress this risk in the interim. With the passing of time, there is a risk things may fall by the wayside. A similar risk pertaining to the issue of proper security and background vetting was brought to the attention of UNICEF's management in a 2011 OAI internal audit report of recruitment (2011/18), without sustainable action being taken to remediate the risk.

**Agreed action 12 (medium priority):** The Division of Human Resources agrees to:

- i. Strengthen monitoring of due diligence and the veracity and scope of reference and academic checks.
- ii. Prioritize the development of procedures for integrating all elements of a robust background check into the recruitment process.

Responsible staff: i. and ii. Chief, MSS, HR Manager, COE Recruitment.  
Target date for completion: i and ii. 30 June 2019.

---

<sup>18</sup> The services include: employee (P11) record verification, academic record verification, qualitative reference checks, verification against SEA (sexual exploitation and abuse) database, verification against the Sexual Harassment Database (under development), and verification against the Consolidated UN Security Council Sanctions List. Expanded reference verification services include: SEA investigation, INTERPOL Criminal Information System, membership of professional bodies and veracity of publications, and character/integrity/ethics/core values check; performance and evaluation history; review of social media internet profile red flags; and clearance of conflict of interest.

## Annex A: Methodology, and definition of priorities and conclusions

The audit team used a combination of methods, including interviews, surveys, document reviews, analysis of TMS information, and testing samples of transactions. The audit reviewed the design and effectiveness of UNICEF's recruitment-related controls, governance and risk management practices.

The audit was conducted in accordance with the *Code of Ethics* and the *International Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors. OIAI is firmly committed to working with auditees and helping them to strengthen their internal controls, governance and risk management practices in the way that is most practical for them. Various divisions' reviews and comments upon a draft report before the finalization of the audit. The management and staff then work with the audit team on agreed action plans to address the observations. These plans are presented in the report together with the observations they address. OIAI follows up on these actions, and reports quarterly to management on the extent to which they have been implemented. When appropriate, OIAI may agree an action with, or address a recommendation to, an office other than the auditees (for example, a Regional Office or HQ Division).

The audit looks for areas where internal controls can be strengthened to reduce exposure to fraud or irregularities. It is not looking for fraud itself. This is consistent with normal practices. However, UNICEF's auditors will consider any suspected fraud or mismanagement reported before or during an audit, and will ensure that the relevant bodies are informed. This may include asking the Investigations section to take action if appropriate.

The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.

### Priorities attached to agreed actions

<b>High:</b>	Action is considered imperative to ensure that the audited entity is not exposed to high risks. Failure to take action could result in major consequences and issues.
<b>Medium:</b>	Action is considered necessary to avoid exposure to significant risks. Failure to take action could result in significant consequences.
<b>Low:</b>	Action is considered desirable and should result in enhanced control or better value for money. Low-priority actions, if any, are agreed with the auditee but are not included in the final report.

### Conclusions

The conclusions presented at the end of each audit area fall into four categories:

***[Unqualified (satisfactory) conclusion]***

Based on the audit work performed, OIAI concluded at the end of the audit that the control processes over the country office *[or audit area]* were generally established and functioning during the period under audit.

***[Qualified conclusion, moderate]***

Based on the audit work performed, OIAI concluded at the end of the audit that, subject to implementation of the agreed actions described, the controls and processes over *[audit area]*, as defined above, were generally established and functioning during the period under audit.

***[Qualified conclusion, strong]***

Based on the audit work performed, OIAI concluded that the controls and processes over *[audit area]*, as defined above, needed improvement to be adequately established and functioning.

***[Adverse conclusion]***

Based on the audit work performed, OIAI concluded that the controls and processes over *[audit area]*, as defined above, needed **significant** improvement to be adequately established and functioning.

***[Note: the wording for a strongly qualified conclusion is the same as for an adverse conclusion but omits the word “significant”.]***

The audit team would normally issue an **unqualified** conclusion for an office/audit area only where none of the agreed actions have been accorded high priority. The auditor may, in exceptional circumstances, issue an unqualified conclusion despite a high-priority action. This might occur if, for example, a control was weakened during a natural disaster or other emergency, and where the office was aware the issue and was addressing it. Normally, however, where one or more high-priority actions had been agreed, a **qualified** conclusion will be issued for the audit area.

An **adverse** conclusion would be issued where high priority had been accorded to a significant number of the actions agreed. What constitutes “significant” is for the auditor to judge. It may be that there are a large number of high priorities, but that they are concentrated in a particular type of activity, and that controls over other activities in the audit area were generally satisfactory. In that case, the auditor may feel that an adverse conclusion is not justified.