



AUD II-7-30 (00464/05)

30 June 2005

TO: Mr. Sergei Ordzhonikidze, Director-General
United Nations Office at Geneva

FROM: Egbert C. Kaltenbach, Director
Internal Audit Division II
Office of Internal Oversight Services

SUBJECT: **Audit of Overtime at UNOG (AE2005/311/04)**

1. I am pleased to submit the final report on the audit of Overtime at the United Nations Office at Geneva, which was conducted in between January and April 2005 in Geneva by Mr. Raja Arumugham and Mr. Girma Gina.

2. A draft of the report was shared with the Officer-in-Charge, Division of Administration, UNOG and the Chief, Human Resources Policy Service, Division for Organizational Development, OHRM in June 2005. Their comments are reflected in this final report.

3. I am pleased to note that the audit recommendations contained in the final Audit Report have been accepted and that UNOG has initiated their implementation. The table in paragraph 34 of the report identifies those recommendations, which require further action to be closed. I wish to draw your attention to recommendations 01, 02, 03 and 05, which OIOS considers to be of critical importance.

4. I would appreciate if you could provide me with an update on the status of implementation of the audit recommendations not later than 30 November 2005. This will facilitate the preparation of the twice-yearly report to the Secretary-General on the implementation of recommendations, required by General Assembly resolution 48/218B.

5. Please note that OIOS is assessing the overall quality of its audit process. I therefore kindly request that you consult with your managers who dealt directly with the auditors, complete the attached client satisfaction survey form and return it to me under confidential cover.

6. Thank you for your cooperation.

Attachment: Client Satisfaction Survey

cc: Mr. C. Bancroft-Burnham, Under-Secretary-General for Management (by e-mail)
Mr. D. Veness, Under-Secretary-General for Safety and Security (by e-mail)
Mr. S. Goolsarran, Executive Secretary, UN Board of Auditors

Mr. T. Rajaobelina, Deputy Director of External Audit (by e-mail)
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**United Nations
Office of Internal Oversight Services
Internal Audit Division II**

Audit Report

**Audit of Overtime at UNOG
(AE2005/311/04)
Audit Report No. E05/R10**

- **Report date: 30 June 2005**
- **Auditors: Raja Arumugham
Girma Gina**



Office of Internal Oversight Services
Internal Audit Division II

AUDIT OF OVERTIME AT UNOG (AE2005/311/04)

EXECUTIVE SUMMARY

From January to April 2005, OIOS conducted an audit of overtime at the United Nations Office at Geneva (UNOG). The audit covered compensation for overtime and night differential for the years 2002, 2003 and 2004 with expenditure totalling some \$4.64 million. *UNOG accepted all the audit recommendations and have either implemented or are in the process of implementing most of them.*

Overtime policies and guidelines

- The conditions governing compensation for overtime and night differential, as contained in Appendix B to the Staff Rules applicable to UNOG, have remained unchanged for almost 40 years. The significant differences in the conditions applied at UN Headquarters and at UNOG have substantial financial implications. While many of these differences could be attributed to differences in the local conditions prevailing in Geneva and New York, as pointed out by both UNOG and OHRM, other differences may no longer be justified.
- In Geneva, double rate for overtime work applies on weekdays from 9 p.m. until 7 a.m. the next day, on Saturdays from 12 p.m. to midnight and on Sundays and official holidays. In New York, double rate is applicable only for Sundays, or the seventh day of the scheduled workweek or official holidays. On the other hand, regular working hours per week are 40 in Geneva, while only 35/37.5 in New York.
- In Geneva, staff in the Professional and General Service categories are paid 10 and 25 per cent respectively of the hourly gross salary at the staff member's grade and step as night differential. In New York, only one rate, 10 per cent, is paid for all staff members. During the three years (2002-2004), the net night differential, at the 25 per cent rate, paid to UNOG security staff and drivers amounted to some \$821,000. Had UNOG applied the 10 per cent rate, the cost would have been only some \$330,000.
- In Geneva, as compensation for normal overtime, the staff takes CTO for the first eight hours and the rest is paid in cash. In New York, after a review conducted three times a year, the staff is compensated by CTO for the first 40 hours and the rest is paid in cash.
- In the view of OIOS, a comprehensive review is overdue to determine whether the 1966 Appendix B still reflects the current local conditions and whether the significant variations between different duty stations are still justified. *UNOG concurred that there is a need to review and update Appendix B, but felt that the review should be undertaken as part of the system-wide review initiated by OHRM, although a step-by-step approach could be considered.*

- In most cases, overtime and night differential were not authorized in advance. The form used by UNOG Finance Section bears a prior authorization signature, but OIOS ascertained that these forms were signed post facto and only served the purpose of certification by the Section Chief.
- The analysis of the pattern of overtime paid indicated that authorizing work on overtime is an established practice in many sections and the total overtime paid in these sections continued to increase each year. In some sections, staff members regularly worked more than 40 hours overtime in a month, in contravention of the conditions.
- In the Security Service, a few security staff members, who regularly were paid overtime, night differential and weekend premium, accounted for about 41 per cent of the total amount paid from 2002 to 2004. At the Travel and Transportation Unit, the overtime and night differential paid to certain drivers doubled from \$93,400 in 2002 to \$185,500. This was attributable to the full time assignment of two drivers to the DG starting January 2003, as well as a significant increase in the usage of drivers after office hours and during weekends.
- For the three main users of UNOG vehicles, there was a significant increase in usage over the last years:
 - At UNOG, overtime averaged 600 hours a year from 1998 to 2001. The annual average from 2002 to 2004 increased to 1,300 or more than double. Moreover, the cumulative overtime accrued during the weekends and official holidays increased fourfold, from an average of 200 hours in the last four years to some 800 hours in 2004. Despite the recruitment of an additional driver, drivers' overtime alone amounted to some 500 hours per year in 2003 and 2004.
 - For a significant amount of overtime accrued by the drivers, the official purpose of the use of the vehicle was not obvious. OIOS is further looking into the issue.
 - At OHCHR, overtime fluctuated over the last six years, ranging from a low of 386 hours in 2000 to a peak of 883 hours in 2004. At ECE, overtime increased steadily from 182 in 2002 to almost 400 hours in 2004.
- According to the policy of the provision and use of official cars (ST/AI/337 dated 15 October 1986), the official cars should be used only for official business within working hours, but not for transportation to and from work. OIOS noted that the pattern of usage by the high-ranking officials was not in compliance with this policy. *The Division of Administration, UNOG has reminded the users concerned of the official policy. OHRM has confirmed that the policy outlined in ST/AI/337 is still valid, but wanted to bring the issues raised to the attention of DM/OCSS to review the policy and determine a need for modification, if any.*

June 2005

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I. INTRODUCTION

1. From January to April 2005, OIOS conducted an audit of overtime at the United Nations Office at Geneva (UNOG). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. Overtime means time worked in excess of the scheduled workday or in excess of the scheduled workweek or time worked on official holidays. The compensation for the excess work shall take form of an equal amount of compensatory time off (CTO) or additional payment (overtime). Staff members in the General Service category or in the Trades and Crafts category are eligible for CTO or payment of overtime. The proper authority should authorize the excess work. Night differential is a compensation payable for any regular work undertaken by staff members between 7:00 p.m. and 8:00 a.m. where at least four of such hours have been worked during the week.
3. UNOG Division of Administration establishes the policy and guidelines for overtime and night differential and administers overtime for the various Divisions in UNOG. From 2002 to 2004, UNOG paid some \$4.66 million (CHF 6.35 Million) as overtime, night differential and weekend premium. The table below provides the breakdown for each year.

Year	2002	2003	2004	Total
US\$ in million	1.133	1.669	1.861	4.663
Swiss Francs in million	1.777	2.246	2.329	6.352

4. This is the first audit conducted by OIOS on the administration of overtime in UNOG. There was no audit by the Board of Auditors on this subject in UNOG. However, the Central Support Services of UNOG Division of Administration undertook an internal review of its current practices in June 2004.
5. The findings and recommendations contained in this report have been discussed during the Exit Conference held on 27 May 2005 with the former Director, Division of Administration, UNOG and other officials concerned. A draft of this report was shared with the Director, Division of Administration and the Chief, Human Resources Policy Service, Division for Organizational Development, OHRM on 1 and 2 June 2005 respectively. Their comments have been reflected in the report in italics. *UNOG has accepted most of the recommendations made and is in the process of implementing them.*

II. AUDIT OBJECTIVES

6. The main objectives of the audit were to evaluate the adequacy and effectiveness of
 - (i) Overtime policies and guidelines established in UNOG; and
 - (ii) Implementation of the policies and guidelines with regard to authorization, recording, and payment of overtime and night differential.

III. AUDIT SCOPE AND METHODOLOGY

7. The audit scope included the overtime and night differential paid during the period January 2002 to December 2004. The review focused on the various sections in UNOG, in particular the Central Support Service, which authorized more than 50 percent of the overtime paid during the review period. The audit focused on the policies and guidelines established by UNOG, the procedures adopted by various sections in authorizing, recording and monitoring and payment of overtime and night differential.

8. OIOS reviewed the existing policies and guidelines and the available documents relating to overtime and night differential. The audit team reviewed and analysed the information relating to the overtime and night differential paid during the review period. The audit team also selectively reviewed few cases of substantial overtime payment to determine whether the total overtime hour worked was justified. The team assessed the procedures in place relating to prior authorization, approval and review of overtime documents before they are paid. The audit team met and discussed with the responsible staff members in the Central Support Service (CSS), Financial Resources Management Service (FRMS) and Human Resources Management Service (HRMS). The audit team also compared the overtime policies and procedures established at UN Headquarters in New York (UNHQ) and at the United Nations Office at Vienna (UNOV).

IV. AUDIT FINDINGS AND RECOMMENDATIONS

A. Overtime policies and guidelines

Existing UNOG policy needs to be reviewed

9. According to Staff Rule 103.12 staff members serving at established offices in the Trades and Crafts category, in the General Service category or in the Field Service who are required to work in excess of the working week established shall be given compensatory time off or may receive additional payment, under conditions established by the Secretary-General. These conditions shall be set forth in the Appendix B to the Staff Rules applicable to the duty station. According to Staff Rule 103.13 staff members who are assigned to night time tours of duty shall receive a night differential at a rate and under conditions set forth in Appendix B to the Staff Rules applicable to the duty station. The Secretary-General in his bulletin ST/SGB/2002/1 promulgated the latest version of the Staff Rules on 1 January 2002, with Appendix B containing the conditions governing compensation for overtime and night differential at Headquarters.

10. For UNOG, the conditions governing compensation for overtime and night differential (Appendix B) were issued on 1 September 1966. These conditions have remained unchanged for almost 40 years and are still applied. OIOS noted that UNOG reviewed these conditions in January 1998, but decided not to formally propose revisions. Reasons for this decision were not clear on the files. According to the Flemming principle, the conditions shall be determined by reference to the best prevailing local conditions at the duty station. Since local conditions have not stagnated over the last 40 years, OIOS sees an urgent need to review and revise the conditions contained in Appendix B.

11. OIOS noted significant differences in the conditions governing compensation for overtime and night differential between UN Headquarters and UNOG:

- At UNOG, the overtime shall be compensated as special (twice the rate) if a staff member worked on weekdays from 9 p.m. until 7 a.m. next day, on Saturdays from 12 p.m. to mid night and on Sundays and official holidays. In New York, the special rate is applicable only for Sundays, or the seventh day of the scheduled workweek or official holidays. On the other hand, staff members in Geneva have 40 regular working hours per week, while staff in New York has only 35/37.5 hours. *Furthermore, UNOG pointed out that the staff member concerned shall receive no less than four hours of overtime compensation for time worked on the sixth or seventh day of the week or on official holiday.*
- Regarding night differential, the Geneva conditions differentiate between Professional and General Service (GS) staff. The Professional category is authorized 10 per cent of the hourly gross salary at the staff member's grade and step as night differential, whereas the GS staff members receive 25 percent of the hourly rate. In New York, the rate of 10 percent of the hourly rate of the aggregate of the staff members' salary is paid for all professional and GS staff. These differences have substantial financial implications: During the three years (2002-2004) reviewed, UNOG paid net night differential (at the 25 per cent rate) to the security staff and the drivers totalling some \$821,000. Had UNOG applied the 10 per cent rate, the cost would have been only some \$330,000. *As UNOG rightly pointed out, the applicable hours for night differential in New York are from 6:00 p.m. to 9:30 a.m. versus 7:00 p.m. to 8:00 a.m. in Geneva. Therefore, the time for entitlement to night differential in Geneva covers 13 hours compared to 15.5 hours in New York.* OIOS is aware that the different conditions do not allow a simple and straightforward comparison. Nevertheless, even taking into account the entitlement to more hours in New York, the application of the 10 per cent rate would have resulted in significant savings. OIOS is not convinced that local conditions alone can explain and justify such a significant difference.
- At UNOG, the first eight hours of ordinary overtime will be compensated by equal time of CTO and the balance hours are paid in cash. In New York, overtime shall be paid after a review conducted three times a year, and after ascertaining that a staff member had accumulated more than forty hours of CTO, which could not be authorized because of the exigencies of the service. The remaining entitlement of forty hours of CTO will be counted as part of the staff member's accumulated entitlement at the time of the next review.
- In Geneva, weekend premium is paid to staff members for whom the normal working week of 40 hours has been modified by the adoption of a shift system or roster system, also of 40 hours. The premium is payable at 50 per cent of the hourly rate of the staff member's salary, to those who have worked between 7.00 a.m. on Saturday and 7.00 a.m. on Monday. The premium is payable in addition to the night differential. No such premium is paid in New York.
- The practice of "stand by duty" or "on call duty", the time during which a staff member is not required to be present at work, but is expected to report to work as soon as requested to do so, needs to be clarified. In Geneva, 20 hours of "recuperation" are credited to staff members on stand by duty from Monday 9.00 p.m. to the following Monday 5.00 a.m. *According to OHRM, on "call duty" has been authorized in New York for certain departments and may be incorporated into Appendix B for New York in future.*

- OIOS also noted that UNOV, in 2004, prepared conditions governing compensation for overtime (Appendix B) at UNOV, reflecting the best prevailing local conditions and aimed at ensuring consistency among the UN agencies based at the Vienna International Centre. The revised draft has been pending with OHRM, who intended to conduct a review of all local Appendices B.

12. OIOS is fully aware that the conditions contained in Appendix B of each duty station are determined by reference to the best prevailing local conditions at the duty station and that many differences in the conditions applicable in Geneva and New York are a reflection of different local labour markets. Nevertheless, local labour markets are not stagnating, but develop over the years. OHRM and UNOG therefore need to ensure that the provisions of Appendix B still reflect the prevailing local conditions in Geneva. This requires a complete review and overhaul of Appendix B. OIOS also wishes to highlight that many of the variances between the conditions applicable in New York and Geneva cannot be explained by different local conditions in the US and in Europe. OIOS noted that the provisions applied at UNOG are relatively close to those applied at UNOV, whereas the conditions applied at ICTY are similar to those at UNHQ. OIOS is not convinced that the local labour market conditions in The Hague are closer to New York than to Geneva. UNOG should therefore initiate a comprehensive review of the conditions set forth in Appendix B, taking into account the prevailing local conditions, the conditions applied by other UN entities in Geneva and the conditions in other UN duty stations. OIOS is aware that a complete overhaul and revision of Appendix B may not be achievable within the near future. As a first step and as a matter of priority, those parts of Appendix B containing the conditions governing compensation for overtime and night differential should be reviewed and revised.

Recommendation:

- UNOG Division of Administration, in consultation with OHRM and the Controller, should review and revise the provisions of the 1966 Appendix B governing compensation for overtime and night differential at UNOG, in order to ensure that they reflect today's prevailing local conditions in Geneva and that variances from the provisions applied at other duty stations are justified (Rec. 01).

13. *UNOG acknowledged the need to review and, if necessary, update Appendix B for Geneva. However, UNOG felt that this might be a very lengthy exercise, given the sensitive nature of other issues dealt with in Appendix B, and proposed that the review be undertaken as part of the system-wide review initiated by OHRM, although a step-by-step approach could be considered.* OHRM stated that they did not know whether the provisions of the 1966 Appendix B still reflected the best prevailing local conditions in Geneva and highlighted that any revision of Appendix B applicable to Geneva should be done by reference to local conditions. OIOS will record this recommendation as implemented upon receipt of the results of a review and revision of the conditions in Appendix B for Geneva governing compensation for overtime and night differential.

B. Compliance to the conditions and policies

Non existence of prior authorization

14. According to the UNOG conditions governing overtime and night differential, all overtime shall be authorized in advance and subsequently certified by the Chief of the

Division or Service concerned. However, OIOS review of the overtime claim forms indicated that the overtime was not authorized in advance in almost all the cases. The form used by UNOG Finance Section bears a prior authorization signature, but OIOS ascertained that these forms were signed post facto and only served the purpose of certification by the Section Chief concerned. Therefore, OIOS could not ascertain the justification for the overtime claims. OIOS understood that in some sections like Security and Safety, prior authorization might not be practical at all the times due to the nature of the job. But OIOS noted that in most of the instances in which overtime had been authorized like major conferences, visits of VIPs and social events, it was possible to plan and authorize overtime in advance. OIOS believes that planning and authorizing overtime ahead of time would enable managers to control excessive and unjustified claims submitted by staff members.

15. OIOS recommended that the Division of Administration ensure that the requirement for prior authorisation of overtime is adhered to while processing the overtime claims, and advise all responsible certifying officials to comply with this requirement. *UNOG accepted the recommendation and will establish a procedure to ensure that all requests for overtime are properly authorized beforehand. For the Central Support Services, UNOG has already put in place a proper mechanism. UNOG added that there would be exceptions where prior authorization was not practical due to the nature of the work.* OIOS considers this recommendation as implemented, but expects UNOG to properly justify and document such exceptions.

Recurrence of overtime

16. According to the conditions governing compensation for overtime, the need to incur overtime should always be of a transitory nature to meet urgent or unforeseen circumstances that make it imperative for staff to work beyond normal hours. Any incidence of recurring overtime will be brought to the attention of the Director of Administration. OIOS analysis of the pattern of overtime paid during the review period indicated that authorizing work on overtime is an established practice in sections focused in this review, like Security and Safety Section (SSS) and Procurement and Transportation Section (PTS), Building and Engineering Section (BES) and Text Processing Section (TPS). OIOS noted that the total overtime paid in these sections continued to increase each year. On the other hand, there was a significant decrease in overtime in the Financial Resources Management Service (FRMS) due to special factors (discontinuation of payroll services for UNHCR, and automation of certain reconciliation tasks using IMIS). It is only this decrease that prevented total expenditure for overtime in UNOG to continue to increase. For SSS and PTS, the trend remained to increase. The table below (figures provided by UNOG) indicates the pattern of payment during the review period in thousands of US dollars and Swiss Francs in italics, and the percentage of increase to the previous year in parentheses:

Section	2002		2003		2004	
	US\$	CHF	US\$	CHF	US\$	CHF
Safety and Security	232	354	376 (62%)	495 (40%)	465 (24%)	577 (17%)
Purchase and Transportation	97	151	117 (21%)	156 (3%)	188 (61%)	233 (49%)
Text Processing	74	117	127 (72%)	168 (44%)	110 (-13%)	141 (-16%)
Building and Engineering	91	142	85 (-7%)	113 (-20%)	109 (28%)	135 (19%)
Sub-totals	494	764	705 (43%)	932 (22%)	872 (24%)	1,086 (17%)
Finance	131	206	142 (8%)	191 (-7%)	38 (-73%)	47 (-75%)
Miscellaneous	143	219	259 (81%)	342 (56%)	129 (-50%)	166 (-51%)
Totals	768	1,189	1,106 (44%)	1,465 (23%)	1,039 (-6%)	1,299 (-11%)

Recommendation:

- UNOG Division of Administration, in order to minimize overtime expenditure, should, on a quarterly basis, review the pattern of overtime payments and advise the respective heads of offices through inter office memorandums (Rec. 02).

17. *UNOG accepted this recommendation and added that it would seem to overlap with the regular review of expenditures carried out by budget and certifying officers. OIOS suggests that UNOG advise budget and certifying officers to take up with the respective heads of offices the results of the review of overtime. UNOG also explained that increase in overtime might be attributable to various reasons such as non-availability of general temporary assistance provisions to face peak workload periods and that the freeze on the recruitment might have a further impact on overtime costs. UNOG added that notwithstanding this situation, UNOG would ensure that it would ensure that regular monitoring is strengthened and any anomalies would be brought to the attention of managers concerned. OIOS will record this recommendation as implemented when it receives a copy of guidelines on the regular monitoring of overtime or a copy of memos to managers on the status of overtime in their respective programmes or activities.*

Non-observance of the 40-hour overtime limit

18. The conditions governing overtime stipulate that in the interest of the health of the staff member and the efficiency of the services, the supervisors would not require a staff

member to work more than 40 hours of overtime during any one month, except where unusual exigencies of service so require. OIOS noted that in some sections the staff members worked for more than 40 hours overtime in a month. In particular the drivers in the Transportation Section regularly worked for more than 40 hours. OIOS estimated that on average, every driver worked 67 hours of overtime per month in years 2003 and 2004. In some glaring cases, one of the drivers worked overtime for 108.5 hours in December 2003 and another driver rendered overtime work for 135.5 hours in August 2004. OIOS believes that this needs to be addressed and the service of staff members should not be required beyond 40 hours in addition to their normal working hours. As this is a pattern, it cannot be justified by unusual exigencies of the service.

19. Furthermore, OIOS review also indicated that some staff members were requested to work on overtime continuously for more than 12-20 hours without any break including lunch. OIOS is concerned that this practice would affect the health and efficiency and effectiveness of the staff member in carrying out his or her functions. This practice was common among drivers and security personnel.

Recommendation:

- The UNOG Division of Administration, in the interest of the health of the staff members and of efficiency of the service, should enforce the limit of 40 hours of overtime. Should the need for it arise, UNOG should consider hiring temporary staff (Rec. 03).

20. *UNOG accepted this recommendation and will enforce the 40-hours limit as from July 2005. Compliance would be monitored through continuous random checks.* OIOS will close this recommendation as implemented upon receipt and verification of overtime statistics for the period July to October 2005.

Non-observance of the CTO rule

21. According to the conditions governing overtime, the first eight hours of ordinary overtime in a month will be compensated by equal time off at the earliest possible date and will not be paid. However, in some instances the overtime was calculated and paid to staff members for all the time worked as overtime. This practice was prevalent in security services provided to other UN agencies on a cost reimbursable basis. OIOS also noted instances in which similar payments were made to staff members in the regular budget. In OIOS opinion, this practice should be stopped to minimize expenditure under overtime.

Uneven distribution of overtime, night differential and weekend premium

22. OIOS review of the overtime paid in the Security and Safety Section indicated that there were a few security staff members who were regularly paid overtime, night differential and weekend premium. For example in the years 2002 to 2004, approximately 14 per cent of the security staff were paid about 41 per cent of the total overtime and night differential. The Security and Safety Section asserted that only these security staff members were willing to work overtime and in night shifts. Although OIOS was not able to verify this assertion, OIOS believes that UNOG should endeavour to achieve a more even distribution of work among staff members to avoid the perception of unequal treatment. Furthermore, OIOS noted cases where some drivers at the G-4 level and security officers at the G-4 to G-6 level received net remuneration, including their compensation for overtime, that exceeded the total net salary of a P-4 or P-5 staff member in 2004 and in some months that of a D-1 staff member. Such cases point to the need for UNOG to ensure that overtime is more evenly distributed among staff

members.

Recommendation:

- UNOG Division of Administration should advise all offices concerned to adequately plan their work beyond normal office hours, so that it is evenly and fairly distributed to many staff members, taking into account the skills and availability of staff members (Rec. 04).

23. *UNOG accepted this recommendation and will advise all offices concerned of the recommendation and request its swift implementation with the establishment of internal controls to avoid recurrence. UNOG added that since the Security and Safety Section is now part of the independent Department of Safety and Security, this recommendation could be addressed to that Department, which could consider it in its review of their administrative rules. OIOS will take up this issue in its present audit of the SSS. OIOS will record this recommendation as implemented upon receipt of UNOG's advice to all offices concerned and of statistics on compensation for overtime per staff member for the period July to October 2005. OIOS will follow-up on the above-mentioned cases.*

Need to minimize overtime of the drivers

24. As stated above, OIOS noticed that the overtime and night differential paid to the drivers increased significantly during the review period. OIOS undertook a critical review of the increase to determine whether the increase is adequately justified and to determine whether there is scope to minimize overtime to the drivers. OIOS relied on the internal memorandums and documents maintained in the Central Support Services, UNOG, and the relevant statistics maintained in the database.

25. According to ST/AI/387, all official vehicles will be considered as part of a pool, available for all operational functions of the office concerned. Accordingly, since October 1999, the drivers Sub-Unit, Transportation and Travel Unit, Purchase and Transportation Section, UNOG, had been organized as a pool, where all drivers were rotated morning and afternoon shifts and posts (shift system). The Sub-Unit is composed of five drivers and one supervisor and is equipped with three vehicles. The drivers are servicing mainly the Director-General of UNOG, the High Commissioner for Human Rights, the Executive Secretary of ECE and other high-ranking officials. The shift system allowed keeping the overtime under control as the drivers mutually covered one another.

26. In September 2002, an additional driver was recruited and the shift system was revised. Since January 2003, two drivers and one vehicle were exclusively assigned to the DG of UNOG on a full time basis, except when the Secretary-General visits Geneva. In addition to this, the threshold of 40 hours of overtime in a month was raised to unlimited levels in April 2001. OIOS noted that these measures impacted the accumulation of overtime by any one of the drivers, as it was no longer possible to balance the overtime hours.

27. According to ST/AI/337, the heads of the respective offices may be assigned a vehicle on a full-time basis at locations other than New York, Geneva and Vienna. The full-time assignment of a vehicle and two drivers to the DG, UNOG is therefore not in line with Organization's policy on the provision and use of official cars, and should be discontinued, unless the Secretary-General changes the Organization's policy.

28. According to the statistics available on the usage of drivers' services by UNOG, the Economic Commission for Europe (ECE) and Office of the High Commissioner for Human Rights (OHCHR), OIOS noticed the following:

- An average of 600 hours in a year was recorded under UNOG from 1998 to 2001. The annual total increased to 1,020 hours in 2002. Despite the recruitment of an additional driver, overtime further increased to 1,344 hours in 2003 and 1,544 hours in 2004.
- During weekends and official holidays the cumulative overtime accrued by the two drivers exclusively assigned to the DG, UNOG had even increased fourfold from an average of 200 hours in the last four years to 805 hours in 2004.
- According to the overtime records maintained by the drivers, a significant amount of overtime in 2003 and 2004 was accumulated in instances, where the official purpose was not obvious. OIOS is further looking into the issue.
- At OHCHR overtime was fluctuating over the last six years, ranging from a low of 386 hours in 2000 to a peak of 883 hours in 2004. At ECE, overtime increased steadily from 182 in 2002 to 398 hours in 2004.

29. According to ST/AI/337, official cars may be used only for official business within working hours, but not for transportation to and from work. OIOS noted that vehicles were used frequently by heads of offices for transportation to and from work, which is not in compliance with the Organization's policy. *OHRM has confirmed that the policy outlined in ST/AI/337 is still valid, but wanted to bring the issues raised to the attention of DM/OCSS to review the policy and determine a need for modification, if any. As recommended by OIOS, UNOG Division of Administration has reminded the heads of offices in Geneva, which are regular users of official cars, of the rules governing the use of official vehicles.*

Recommendations:

- UNOG Division of Administration should fully implement pooling of all official cars with a shift system for drivers in order to minimize overtime work, ensuring that vehicle normally used by the Director-General is made available for other official requirements, when not required by the DG for official purposes (Rec. 05).

30. *UNOG stated that the recommendations had been implemented prior to the audit and that the Division of Administration and Office of the Director-General, UNOG, OHCHR and ECE and the drivers were informed in February 2005 of new procedures to exercise a better control of overtime. UNOG also drew attention to the specific security requirements ("defensive driving") and related aspects, which may arise from a too open use of vehicles assigned to VIPs. OIOS welcomes the steps already taken to make better use of the official vehicles and drivers and to minimize drivers' overtime. OIOS will close these recommendations upon receipt of documentation showing that all official vehicles and their drivers form part of a pool. Furthermore, UNOG should consider putting drivers on standby duty rather than paying overtime for periods when actual work requirements are not foreseeable. OIOS will follow-up on the actual usage at a later stage.*

Inadequacies in the authentication of the overtime documents

31. As the overtime was not authorized in advance, OIOS verified the claims submitted to ensure that the overtime accrued was adequately authenticated by a responsible official immediately after the completion of the duty on a daily basis. In respect of the drivers, the overtime accrued has been authenticated by the responsible officials only in very few cases. In a number of cases, overtime was authenticated by the users' secretaries only. In most instances, however, the time of actual duty was not authenticated. As a result, OIOS could not verify whether the time accrued by the drivers as overtime was actual overtime accrued by them.

32. OIOS also noticed that staff members, who did not have the authority, authenticated the overtime. In the Security and Safety Section, a number of claims were authenticated and signed by non-designated persons. The Chief of Security and Safety Section has delegated to the supervisors of Units to authenticate overtime claims. However, OIOS noticed several claims that were authenticated and signed by Sergeants and Lieutenants. Moreover, in a few claims, the claimant himself authenticated his own overtime. In some cases, the claims were not authenticated, however they were processed and payments were made. OIOS also noted few instances in which the overtime figures were overwritten after authentication. The modifications were not countersigned. These inadequacies in the authentication had the risk of potential abuse and inappropriate claims of overtime, and need to be addressed as a matter of priority. At the time of the audit, Security and Safety Section was issuing an internal memo stipulating that authority lower than supervisors of Units should not authenticate OT claim.

Recommendation:

- UNOG Division of Administration should strengthen the process of certification of the overtime claims so that the risks of abuse or inappropriate claims are managed effectively (Rec. 06).

33. *UNOG accepted this recommendation.* OIOS will consider this recommendation as implemented upon receipt and verification of the new certification procedures for overtime.

V. FURTHER ACTIONS REQUIRED ON RECOMMENDATIONS

34. OIOS monitors the implementation of its audit recommendations for reporting to the Secretary-General and to the General Assembly. The responses received on the audit recommendations contained in the draft report have been recorded in our recommendations database. In order to record full implementation, the actions described in the following table are required:

Recommendation No.	Action/document required to close the recommendation
1*	Receipt of results of review and revision of provisions in Appendix B for Geneva governing compensation for overtime and night differential.
2*	Receipt of guidelines on regular monitoring of overtime or a copy of memos to managers on the status of overtime in their respective programmes or activities.
3*	Receipt and verification of overtime statistics for the period July to October 2005.
4	Receipt of UNOG's advice to all offices concerned and of statistics and payments for overtime per staff member for the period July to October 2005.
5*	Receipt of documentation showing that all vehicles and drivers form part of a pool.
6	Receipt and verification of new certification procedures of overtime.

* Critical recommendations

V. ACKNOWLEDGEMENT

35. I wish to express my appreciation for the assistance and cooperation extended to the auditors by the staff of UNOG.

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