



**Office of Internal Oversight Services  
Internal Audit Division II**

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AUD: AA – ECA (13/2005)

27 July 2005

TO: Mr. K. Y Amoako, Executive Secretary  
Economic Commission for Africa

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

SUBJECT: **Audit of ECA Administration of Entitlements (AA2005/710/01)**

1. I am pleased to submit the final report on the Audit of ECA Administration of Entitlements, which consolidates the findings from the following five draft audit reports: Education grant and dependency allowance (AA2004/710/04); Home leave (AA2004/710/01), Mobility, hardship and non-removal allowance (AA2005/710/02); Repatriation grant and Commutation of accrued leave balance (AA2005/710/03) and Organisation and Management (AA2005/710/04). The audits were conducted between January and May 2005 in Addis Ababa, Ethiopia by Byung-Kun Min and Obin Silungwe. The drafts of the audit reports were shared with the Director of Human Resources and Finance Division on 3, 30 May and 13 June 2005, whose comments, which were received on 30 May, 22 June and 6 July 2005 respectively, have been reflected in the final report in italics.

2. I am pleased to note that most of the audit recommendations contained in this final report have been accepted and that ECA has initiated their implementation. The table in paragraph 91 of the report identifies those recommendations, which require further action to be closed. I wish to draw your attention to recommendations 02, 04, 05, 09, 12 and 14, which OIOS considers to be of critical importance.

3. I would appreciate it if you could provide Mr Byung-Kun Min 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.

4. 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 and return it to me.

5. I would like to take this opportunity to thank you and your staff for the assistance and cooperation extended to the audit team.

Attachment: Final report and Client Satisfaction Survey

cc: Mr. C. Burnham, Under-Secretary-General for Management (by e-mail)  
Mr. Y. Suliman, Director, HRFD, ECA (by e-mail)  
Mr. S. Goolsarran, Executive Secretary, UN Board of Auditors (by e-mail)  
Mr. M. Tapio, Programme Officer, OUSG, OIOS (by e-mail)  
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Office of Internal Oversight Services  
Internal Audit Division II

# **Audit Report**

**Audit of ECA Administration of Entitlements  
(AA2005/710/01)**

**Report date: 25 July 2005**

**Auditors: Byung-Kun Min  
Obin Silungwe**



**Office of Internal Oversight Services  
Internal Audit Division II**

**Audit of ECA Administration of Entitlements  
(AA2005/710/01)**

**EXECUTIVE SUMMARY**

Between January and May 2005, OIOS conducted audits of ECA Administration of Entitlements – Education grant and dependency allowance (AA2004/710/04); Home leave and family visit travel (AA2005/710/01), Mobility, hardship and non-removal allowance (AA2005/710/02); Repatriation grant and Commutation of accrued leave balance (AA2005/710/03) and Organisation and Management (AA2005/710/04). The audits covered approximately US\$7.4 million of entitlements expended in 2004. This report consolidates the results from those audits.

The overall conclusion of OIOS was that ECA effectively administered staff entitlements by putting in place controls to safeguard the UN against losses and to ensure that staff received appropriate entitlements. ECA has accepted most of the audit recommendations contained in this final report and has initiated action in the majority of the areas identified.

**Education grant and Dependency allowance**

OIOS found that Human Resources Services Section (HRSS) and the Budget and Finance Section (BFS) of ECA effectively administered education grant claims. OIOS was especially appreciative of the open forum initiatives for facilitating dialogues between HRSS and staff, which helped engender a better understanding of the UN Regulations and Rules on education grant and contributed to the low error rate observed.

OIOS did identify some areas where efficiency of processing could be enhanced:

- a) There is a need to ensure that the P.41 (4-99) (Certificate of attendance and cost and receipt for payments) and P.45 (7-99) (Request for payment of education grant and/or advance against the education grant) forms are prepared and submitted in the most appropriate manner through better communication with the educational institutions and developing a checklist.
- b) ECA needed to establish a mechanism to identify and investigate inconsistencies between claims from children attending the same or similar institutions.
- c) An action plan for clearance of old education grant advances totalling some US\$200,000 was required.

ECA could not demonstrate that dependency allowance was well administered, as it did not carry out the mandated annual review of dependency allowance, to ensure continued eligibility.

**Home leave and Family visit**

Arrangements in place for handling entitlements to home leave and family visit travel were assessed as adequate.

In the following areas current arrangements should be further strengthened:

- a) There is a need to ensure mandatory use of existing checklist for the eligibility and better compliance with the rules on eligibility and expected length of service requirement.
- b) ECA needed to revise the ST/ECA/IC/03/29 with regard to the timeframe for submission of the request and should simplify the “Request for Home Leave/Family Visit Travel” taking into consideration the form PT.165.
- c) There is a need to develop a mechanism for monitoring compliance with the reporting requirement upon return from travel for those staff who were provided the ticket from ECA.
- d) ECA needed to ensure the travel time is correctly reflected in staff members’ Time and Attendance record in IMIS.

### **Mobility, Hardship and Non-removal allowance**

OIOS noted errors in payments of mobility and non-removal allowances, which ECA took prompt action on, leading to recoveries of approximately US\$69,000. Further, OIOS found errors in IMIS data, which meant that it could not be always relied upon to produce an accurate result of the amount of allowances payable to staff. As a result, the need for a comprehensive review of the mobility and non-removal allowances was reiterated, which had been raised in the previous OIOS audit in 2000 (AA/2000/710/05), but had not been implemented due to lack of resources. OIOS also recommended that the result of the review be documented and should include the nature and extent of problems, related causes and a plan of action for prevention.

ECA brought to the attention of OIOS an issue of inconsistent application among duty stations in the region in interpreting and applying the eligibility for hardship allowance. Section 1.5 of ST/AI/2000/2 (Mobility and Hardship allowance) could be read as meaning that professional staff recruited at the duty station directly on their first posting with the UN are not eligible to receive hardship allowance for that posting if they did not receive an assignment grant. ECA correctly sought advice, and OHRM confirmed, that this interpretation was correct, and ECA is in the process of implementation. In its exchanges with OHRM, ECA pointed out that other duty stations in the region, UNON and ICTR, followed the same practice as ECA and OHRM indicated that it would follow up on the matter. OIOS confirmed that the both ICTR and UNON had followed the same practice and neither has received any guidance from OHRM indicating that these practices should be changed. OIOS has therefore referred this matter OHRM for their consideration.

### **Repatriation grant**

OIOS found that HRSS and BFS of ECA effectively administered repatriation grant and commutation of accrued leave.

OIOS did identify some areas where efficiency of processing could be enhanced:

- a) There is a need to develop a checklist to assist staff in HRSS for the calculation of the number of years and months in service for the repatriation grant.
- b) ECA needed to establish a mechanism to enable immediate payment of repatriation grant with respect to services rendered before 1 July 1979.
- c) ECA needed to amend existing instructions to require confirmation of accrued leave balance at the time of separation from both the staff member and the Time and Attendance Clerk for enhanced accuracy.
- d) ECA needed to ensure timely payment of 20 per cent of commutation of accrued leave by performing regular checks on cases where money has been withheld.

OIOS noted a possible error in the processing logic of IMIS for repatriation grant, which OIOS has referred to Conditions of Service Section, OHRM for its consideration.

### **Organisation and management**

OIOS concluded that, overall, arrangements in place for ensuring that staff entitlements were being processed in compliance with the rules were adequate and considered that the staff and management of HRSS were committed to continuous improvement of arrangements.

OIOS recommended that these efforts be further improved by placing more emphasis on its roles for strategic and managerial issues. Clearer timeframes for processing staff entitlements were also needed for more effective work planning and monitoring by putting in place mechanisms for the collection of statistics on the actual time taken to process entitlements, which required closer coordination with IMIS. OIOS shares the view of HRSS that it is essential that it realise its full staff complement before any meaningful discussion can take place on the roles, responsibilities and structure. OIOS recommended ECA liaise with OHRM to develop a strategy and action plan for achieving full staff complement.

OIOS also recommended that HRSS clarify the expected nature and level of service from IMIS including the coordination arrangement and determine required resources and organisational structure for such level of support.

The audit also followed up the implementation of recommendations raised in previous audits conducted in 2002 (AA2002/710/04 ECA staff administration) and 2003 (AA2003/710/02 follow up audit on ECA staff administration and recruitment). OIOS appreciated that ECA had implemented approximately 85 percent of the recommendations raised in these reports and has made progress on the remaining recommendations.

July 2005

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## **I. INTRODUCTION**

1. This report consolidates the results of OIOS audits of ECA Administration of Entitlements - Education grant and dependency allowance (AA2004/710/04); Home leave and family visit travel (AA2004/710/01), Mobility, hardship and non-removal allowance (AA2005/710/02); Repatriation grant and Commutation of accrued leave balance (AA2005/710/03) and Organisation and Management (AA2005/710/04). The audits covered approximately US\$7.4 million of entitlements in 2004. The audit was conducted between January and May 2005 in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. ECA's Human Resources Services Section (HRSS) is responsible for administering all staff entitlements of approximately 1,000 staff at its headquarters in Addis Ababa, Ethiopia and five sub-regional offices. The Section is headed by a Chief at P-5 level, supported by three Professional (P) and 30 General Service (GS) staff.
3. The drafts of the audit reports were shared with the Director of Human Resources and Finance Division on 3, 30 May and 13 June 2005, whose comments, which were received on 30 May, 22 June and 6 July 2005 respectively, have been reflected in the final report in italics. ECA has accepted and is the process of implementing most of the recommendations raised, as described further below.

## **II. AUDIT OBJECTIVES**

4. The overall objective of the audit was to advise the Executive Secretary of ECA on the adequacy of arrangements for handling staff entitlements. This involved:
  - (a) Evaluating the adequacy, effectiveness and efficiency of internal controls;
  - (b) Evaluating whether adequate guidance and procedures were in place;
  - (c) Determining the reliability and integrity of the data available from the present systems; and
  - (d) Reviewing compliance with UN Regulations and Rules, and Administrative Instructions.

## **III. AUDIT SCOPE AND METHODOLOGY**

5. The audits focussed on activities in 2004 and involved interviewing staff and reviewing available documents. The audits covered approximately US\$7.4 million of entitlements in 2004.
6. OIOS also followed up on the implementation of recommendations raised in previous audits in 2002 (AA2002/710/04 ECA staff administration) and 2003 (AA2003/710/02 follow up audit on ECA staff administration and recruitment).

## IV. AUDIT FINDINGS AND RECOMMENDATIONS

### A. Education grant and Dependency allowance

#### (a) Submission of Education Grant Claim Forms

7. In 2004, ECA paid a total of approximately US\$2.4 million for education grant to 139 staff members. ECA was experiencing problems with education grant claim forms not being properly filled in, resulting in delayed processing and additional work for staff of HRSS and BFS. For example:

- a) There were several instances where it was possible that the P.41 (4-99) (Certificate of attendance and cost and receipt for payments) had been filled in or altered by the concerned staff.
- b) Several P.41 (4-99) forms contained inaccurate and insufficient information. For example, P.41 (4-99) certified by the school for 2003/2004 year for child with index 960755 (child of staff with index 306057) did not indicate whether books were provided free of charge. In another example, P.41 (4-99) for child with index 308483 (child of staff with index 184672) and 906855 (child of staff with index 967084) did not indicate what level the child had been in and whether the child had been in full time attendance.
- c) Staff did not always ensure that the P.45 (7-99) (Request for payment of education grant and/or advance against the education grant) form is accurate and complete. For example, P.45 (7-99) for child with index 282415 (from staff 559217, PYEG1721) and child with index 922481 (from staff 914628, PYEG1697) did not have information on school attendance and / or actual cost. Staff with index 154404 submitted P.45 (7-99) for two of his dependents indicating that they were in second and third year in the 2002/2003 academic years. The claim form for 2003/2004 also depicted the dependants as being in second and third year respectively.

8. OIOS determined that the problem stemmed from educational institutions and staff members not properly completing forms.

9. HRSS was of the opinion that the UN could not enforce educational institutions to fill the P.41 correctly but could request staff to persuade the educational institutions to cooperate in completing UN forms. OIOS is of the opinion that there are a number of actions, which ECA could undertake to improve cooperation from educational institutions, such as collect statistics on frequently attended schools and the performances of those schools with regard to the completion of the education grant claims as a basis for determining action along the lines suggested below:

- a) Holding a forum with schools in Addis Ababa or disseminating relevant information via e-mail on the importance of proper certification;
- b) Creating an information leaflet for schools illustrating how the form should be filled in, and reminding its importance;
- c) Creating a roster of problem schools and offering them an e-mail contact point, and if the situation does not improve, considering withdrawing UN support for these schools.

10. OIOS appreciated that HRSS agreed that they could do more to ensure staff

complete P.45 (7-99) properly and indicated that it would develop a checklist with the intention of returning all incomplete submissions to staff indicating the action required.

11. *ECA commented that it would undertake a review with regard to making educational establishments aware of the UN expectations within the feasible limit of ECA's capability and responsibility, taking into account the cost effectiveness of implementing the recommendation. Reviews to be undertaken at the end of July 2005, taking into account other priorities. With regard to the recommendation ii), a checklist on education grant was developed and circulated to staff at large under ST/ECA/03/30 dated 30 May 2003. As agreed by HRSS, a standardised memorandum with the checklist of missing document or information on education grant claim has been developed with the intention of returning the incomplete submissions to the staff member for immediate action. OIOS appreciated HRSS's prompt action and no further action is proposed.*

12. According to ST/IC/2002/5 (Education grant and special education grant for disabled children) Paragraph 15, late claims are subject to staff rules 103.15 (ii) and 212.5 on retroactivity of payments and will be paid only if they are submitted within one year following the date on which the staff member would have been entitled to the payment of the grant. OIOS noted that HRSS has complied with that clause.

(b) Processing of Education Grant Claims

Controls for calculation of education grant

13. ECA appeared to have good controls in place to ensure the accuracy of the calculation of education grant. There was a sound cooperation between HRSS and BFS to ensure the accurate application of rules on the education grant amount. Further, there was an adequate review procedure using a spreadsheet to double check the accuracy of education grant calculation.

Certification of payments for textbooks

14. OIOS noted four cases where schools were inconsistent in the certification of textbooks and no action had been taken by either HRSS or BFS to enquire into the discrepancies because the existing controls did not provide for such a check. HRSS indicated its intention to collect some basic information on terms and conditions offered by schools, such as school term, tuition, boarding, textbooks, to assist in the identification of anomalies.

**Recommendation:**

To ensure that the education grant is paid in a consistent manner to ECA staff, Human Resources Services Section and Budget and Finance Section, ECA should work together to establish a mechanism to identify and investigate any contradictions between claim forms submitted from the same school or among the claims forms for similar items submitted from different schools, which should include development and sharing of a database on frequently attended schools and their basic terms and conditions (Rec. 01).

15. *ECA accepted the recommendation and explained that it will establish a database of frequently attended school, including all the schools in Addis Ababa attended by dependants of staff members, to be made available to all HRAs and colleagues responsible*

for Education Grant in BFS to ensure consistency. This will be undertaken at the end of July 2005 in conjunction with the review of educational establishments above. OIOS thanks for the comment and will close the recommendation upon notification of the mechanism put in place to identify and investigate any contradictions between claim forms submitted from the same school or among the claims forms for similar items submitted from different schools, which should include development and sharing of a database on frequently attended schools and their basic terms and conditions.

Verification of the number of years in post – secondary education

16. ECA prepared a “follow up form for the number of post-secondary years”, whose purpose was to ensure that the education grant would terminate when the child ceased to be in full-time attendance at an educational institution, completed four years of post-secondary studies, or was awarded the first recognized post-secondary degree, whichever was earlier. OIOS is of the opinion that use of this form minimises errors, and attributes an overpayment and subsequent recovery of approximately \$5,000 to the fact that use of this form has fallen into disuse.

17. Upon the OIOS recommendation, *ECA informed that it reinstated the “follow up form” immediately.* No additional recommendation is raised.

(c) Educations Grant Advances

18. OIOS appreciated that ECA appeared to have granted the education grant advances based on the staff request and relevant supporting documents. However, OIOS noted that ECA has approximately US\$205,000 of long outstanding education grant advances, which were over due for more than a year. No documentation was available to determine the exact cause of those long outstanding advances at the time of audit. The yearly breakdown is as below:

Table 1: Yearly breakdown of long outstanding advance

Years due for recovery	Amount (US\$)
Prior to 2000	46,230
2000	53,102
2001	46,399
2002	-
2003	58,798

19. The Officer-in-Charge, BFS explained that she was aware of the situation and was in the process of clearing the advances as a part of comprehensive review of accounts receivable to determine the accurate causes of delay in settlement and appropriate corrective actions. However, a clear timeframe had not been established.

**Recommendation:**

To ensure that long outstanding education advances of ECA staff, totalling more than US\$200,000, are cleared or recovered, Human Resources and Finance Division, ECA should establish a mechanism for timely clearance of all items before the end of a bi-ennium (Rec. 02)

20. *ECA commented that it has commenced recovery action from payroll for old outstanding education grants that require scheduling. Thus action has been taken and it is*

*expected that full recovery of old outstanding amounts should be completed by the end of the biennium with the exception of conversion items that are very complicated and difficult to clear given the complexity of the conversion data transferred into IMIS.* OIOS thanks ECA for the prompt action taken to clear existing advances and will close the recommendation upon notification of the full recovery of old advances and mechanism put in place to prevent a reoccurrence of the problem.

(d) Education Grant Travel

21. There were 62 education grant travel requests in 2004. OIOS reviewed and found no problems with the arrangements for granting the education grant travel, which included ensuring the eligibility and ensuring the accuracy of the entitlement travel in terms of itinerary and lump sum amount.

(e) Distance Learning

22. In its audits of UNOG and UNON education grant, OIOS noted that distance-learning courses were normally not eligible for reimbursement. ST/AI/2004/2 considers correspondence courses as non-admissible “except where such courses are the only available substitute for full-time attendance at a school, of a type not available at the duty station, or where such courses are related to academic subjects that are not included in the regular school curriculum but are required for the child’s subsequent education.” OIOS is concerned that the conditions of Section 3.5 (c) would not allow distance learning as an alternative but only as an exception, though this form of training can be a cost effective alternative to attending classes and is finding very wide acceptance in some countries. Distance learning is especially important for duty stations such as Addis Ababa where majority of the dependants are studying abroad.

23. OIOS raised this issue at the time of UNON audit and made a recommendation that UNON should liaise with UNOG and suggest to OHRM a modification of Section 3.5 of ST/AI/2004/2 to give greater flexibility in the recognition of on-line training as an alternative rather than as an exception. This would recognize current educational trends and developments and to allow for more convenient and flexible educational arrangements for staff members’ children. UNON responded that the Chief, HRMS would bring the matter up at the annual Chiefs, HR meeting in New York in 2005. OIOS is also recommending that the Chief of HRSS take part in suggesting the modification of Section 3.5 of ST/AI/2004/2.

**Recommendation:**

To ensure that the widest possible training opportunities are offered to ECA staff, Human Resources and Finance Division, ECA, should liaise with the counterparts in UNOG and UNON and suggest to OHRM a modification of Section 3.5 of ST/AI/2004/2 to give greater flexibility in the recognition of on-line training as an alternative rather than as an exception (Rec. 03).

24. *ECA commented that it would convey OIOS’ recommendation to OHRM.* OIOS notes the response and will close the recommendation upon notification of the outcome of discussions with OHRM to seek a modification of Section 3.5 of ST/AI/2004/2 to give greater flexibility in the recognition of on-line training as an alternative rather than as an

exception.

(f) Work arrangement in BFS for education grant processing

25. While appreciating the benefits of BFS dedicating one staff member to processing education grant claims, there were no statistics available to verify that the volume of claims sustained the use of a dedicated staff member; especially as majority of the claims were submitted during a 3 to 4 month period. OIOS suggested that ECA should collect workload statistics to determine the periods when dedicated staff are required for processing education grant claim forms, and to identify periods when the staff could be redeployed on other activities. *ECA commented that BFS has redefined the duties of the staff members working on education grants, whereby in quiet periods the staff will work on other payment types. This has been included in the staff member's workplan for 2005-2006.* OIOS thanks ECA for the prompt action taken, and in light of this new information is not raising any recommendation on this matter.

(g) Dependency Allowance

26. Approximately US\$860,000 was paid for dependency allowance for 541 staff in 2004. In accordance with the ST/AI/2000/8 (Dependency status and dependency benefits), the claims for payment of dependency allowance shall be made each year, in accordance with the procedures set out in the information circular entitled "Review of claims for dependency benefits" as may be adjusted locally at duty stations outside New York. While OIOS had earlier recommended in its previous audit (AA2002/710/03) that dependency benefits be discontinued when the claims are not submitted in the form of dependency questionnaire P.84, the review had not been carried out since 2001. As a result, no records were maintained with regard to the earnings of those spouses, who were recognized as dependents and paid for the related benefits. Furthermore, the absence of regular dependency status review meant that the continued eligibility of dependency benefit for the children aged between 18 and 21 and indicated as full time student have not been verified. Accordingly, ECA could not assure that the dependency allowance have been paid correctly.

27. The Chief of HRSS was aware of the situation and indicated that she intended to carry out the review process in 2005. However, no timeframe had been established. It was further explained that the review process is cumbersome, which may not serve its purposes and rather increase administrative workload. In particular, it was mentioned that there would be no way of verifying the earning information of spouses of General Service staff, in particular. Furthermore, there were technical difficulties in obtaining details of IMIS personal data of each staff.

28. Nevertheless, OIOS is of the opinion that the review process is vital to ensure that dependency allowances are appropriately paid. Further, the review process could also serve as a tool for verification of personnel data in IMIS. The Chief of HRSS indicated that the action is contingent on the technical ability of ECA to generate personal IMIS data.

29. In addition, OIOS noted inaccurate dependency data in IMIS for children aged over 18, who should be in full time attendance at school, university or a similar educational institution in order to be recognized as dependent child and paid for dependency allowance. There were about 200 dependent children aged over 18 years. Out of 20 samples from about 200 dependent children aged over 18 years, OIOS noted that three

children were not indicated as full-time student while they were indicated as dependent in IMIS. Further, there were children indicated as dependent beyond the age of 21. While there was no financial impact as the IMIS payroll has built in control that the dependency allowance is not paid when the full-time attendance has not been indicated in case of children over 18 and IMIS stops the allowance when the child reaches ages of 21, a data clean up was needed to make sure that those children are not indicated as dependent.

### **Recommendations:**

To ensure that the dependency allowance is paid correctly to ECA staff, based on the verified dependency status, Human Resources and Finance Division, ECA should explore ways to ensure that the annual dependency review is carried out in compliance with ST/AI/2000/8 (Dependency status and dependency benefits) (Rec. 04).

To ensure the accuracy of ECA IMIS data on dependency, Human Resources and Finance Division, ECA should ensure that a data clean up exercise is carried out for dependency status of children aged over 18 years and who are not full-time students (Rec. 05).

30. *ECA accepted both recommendations and commented that it would review these issues end of June 2005.* OIOS will close:

- Recommendation 4 upon receipt of the procedures put in place to ensure that the annual dependency review is carried out in compliance with ST/AI/2000/8 (Dependency status and dependency benefits).
- Recommendation 5 upon notification of the results of the data clean up exercise carried out for dependency status of children aged over 18 years and who are not full time students.

## **B. Home leave and Family visit travel**

### (a) Entitlement check list

31. In 2004, ECA paid approximately US\$780,000 for 150 travel authorisations for home leave and 11 travel authorisations for family visits. ECA had developed a “Home leave entitlement checklist”, which OIOS felt was a useful tool for verification of not only the sufficiency of home leave credit points but also other eligibility requirements. OIOS found that only a few HRSS staff were using and filing this checklist and recommended that ECA ensure the “Home leave entitlement checklist” is completed and filed for all requests. *ECA accepted the recommendation and implemented by issuing a letter to all staff in HRSS on 17 June 2005 reminding the mandatory use of the checklist.* OIOS thanks ECA for the prompt action taken and is not raising any recommendation on this matter.

### (b) Administration of requests

#### Guidance to staff on submission of requests

32. In accordance with ECA information circular ST/ECA/IC/03/29 dated 30 May 2003, home leave or family visit travel was requested using the ECA form “Request for Home Leave/Family Visit Travel”, which had to be submitted to HRSS three weeks in advance of travel. In cases where the lump sum option was opted, the request had to reach

HRSS two months in advance. Further, relevant parts of PT.165 form for lump sum travel were required to be completed at the time of notification of lump sum amount and at the completion of the travel.

33. OIOS determined for the following reasons that the circular and request form did not fully serve their purpose and needed to be revised:

- a) While most staff opted for the lump sum option, the requests were rarely submitted to HRSS two months in advance. HRSS agreed that the two-month requirement was unnecessary and indicated that one month would be sufficient.
- b) The circular did not make specific provision for staff in Sub-Regional Offices, whose home leave requests normally take more time for processing.
- c) The “Request for Home Leave/Family Visit Travel” provided a section related to the acceptance of lump sum option amount that duplicated PT. 165 and may therefore be redundant.
- d) The section B of PT.165 (lump sum travel) was not completed at the time of notification of lump sum amount, but rather completed at the completion of travel. Therefore, the purpose of PT.165 was not served.

**Recommendation:**

To enhance the effectiveness of existing guidance to ECA staff on the submission of home leave and / or family visit requests, Human Resources Services Section, ECA should revise ST/ECA/IC/03/29 with regard to the timeframe for submission of the request and also should simplify the “Request for Home Leave/Family Visit Travel” taking into consideration the form PT.165 (Rec. 06).

34. *ECA commented that it fully agrees with the observation that part B of PT.165 should be signed by the staff members before commencing travel. Mechanism has been put in place to require the Certifying Officer in HRSS to verify that Section B of PT.165 has been signed by the staff member before certifying the TA. With regard to ST/ECA/IC/03/29, HRSS will issue an amendment, as some information is no longer valid and there is new information to be added. However, as to the issue raised by OIOS that HRSS indicated a two-month requirement, while the majority of staff members submitted their requests within one month, ECA is of the opinion that this not an issue. While HRSS is able to process the HL requests within one month, advising staff members to submit earlier has most likely contributed to reducing the number of last minutes requests received. OIOS may have viewed this from the point of staff compliance issue, while HRSS takes this approach as a contingency planning taking into account the habitual lateness of many staff in submitting their requests. In addition, the two-month requirement would also cover the extra time needed to process the HL of staff members in the Sub-Regional Offices. On the issue of duplication of the “Request for HL/FV Travel” and the PT.165, referring specifically to part E where staff member has to sign acceptance of the lump sum amount, ECA has amended the part E of the Request Form to provide staff member with the information of their Travel Time and bringing attention to the requirement for timely submission Travel Claim (copy of the revised Request Form attached). Furthermore, ECA has been in touch with the Travel Unit/New York to explore the possibility of exporting the electronic request for lump sum travel to ECA. OIOS appreciates ECA’s prompt actions.*

On the issue on two-month notice requirement for lump sum option, OIOS wishes to point out that the recommendation was raised to mitigate the risk that HRSS would not have any ground for any corrective actions against late requests if the stipulated requirement is not justified. OIOS will close the recommendation upon receipt of revised ST/ECA/IC/03/29.

#### Compliance with the eligibility requirement

35. Compliance with staff rule 105.3 Section (b) ii on eligibility is usually achieved by requiring a staff member to sign a letter confirming that he/she is aware that should the contract not be extended the cost of home leave will be deducted from the repatriation grant. However, HRSS had not put such arrangements in place. For example, HRSS granted home leave in 2003 for staff member with index number 412025, whose contract was due to expire on 31 December 2003 during his home leave stay.

36. In addition, OIOS noted one case where a staff member resigned with less than six months of service remaining after their return from home leave. In the opinion of OIOS the lump sum payment of approximately US\$2,000 should be recovered in accordance with staff rule 105.3 Section (b) ii providing that the home leave travel and family visit travel could be authorized when the service of staff member is expected to continue at least for six months beyond the return from the travel.

37. OIOS suggested that ECA should ensure that a) staff members with less than six months on their contracts should only proceed on home leave or family visit after having signed letters of undertaking to reimburse the cost of home leave at the end of their contracts in the event that their contracts are not renewed and b) the timing of last home leave or family visit is verified at the time of separation to ensure that the staff has served no less than six months upon the return of leave. *ECA commented that it would tighten the enforcement of this requirement.* OIOS was further informed that Chief, HRSS issued a memorandum to all staff in HRSS on 17 June 2005 in this regard. OIOS thanks ECA for the prompt action taken, and is not raising any recommendation on this matter.

#### (c) Reporting upon the completion of travel

38. In accordance with the Section 11 of ST/AI/2000/20 (Official Travel), staff are required to submit either an F.10 or PT.165 form within two calendar weeks after returning from home leave or family visit. While the compliance with the two-calendar weeks requirement has not been strictly monitored, OIOS appreciated that ECA upheld the spirit of such requirement and has put in place arrangements for automatic recovery of travel advances in cases of lump sum options when staff fails to submit the F.10 or PT.165 form within the timeframe set up at the time of the advance.

39. OIOS was concerned that no receivable to the staff member was created when ECA provided the ticket and there was no arrangement to take action against staff who failed to submit the travel claim within the timeframe. As a result, no recovery action was initiated for staff member with index number 539075 who did not submit the F.10 for the home leave travel, which took place 5 August to 16 October 2004.

#### **Recommendation:**

To ensure recovery of travel costs where ECA has provided the ticket and the staff member fails to submit the F.10 claim within the timeframe, Budget and Finance Section should ensure that a receivable is

set up for those staff members who were provided tickets from ECA (Rec. 07).

40. *ECA commented that it would review between CGSD and HRFD to provide an appropriate process given the fact that no advance is made to the staff member. OIOS will close the recommendation upon receipt of review result on appropriate process to ensure recovery of travel costs where ECA has provided the ticket and the staff member fails to submit the F.10 claim within the timeframe.*

(d) Recording of travel time in Time and Attendance record

41. OIOS noted eight staff whose time and attendance records did not have travel time records related to their 2004 home leave or family visit travel, as stipulated in Section 6 of ST/AI/2000/20. In one case, the home leave was not recorded at all.

42. While appreciating that the forum on time and attendance held in March 2005 covered travel time related to home leave / family visits, OIOS determined that the magnitude of its findings warranted a comprehensive review of the accuracy and completeness of recording of travel time. Further, OIOS suggested and HRSS agreed that it would be useful if HRSS could indicate the number of eligible travel days when the home leave or family visit was authorized.

43. In addition, OIOS wishes to draw the attention of Chief, HRSS to the e-leave and overtime portal in UNON, which has been developed to automate substantive part of leave requesting, approving and monitoring process.

#### **Recommendation:**

To ensure the travel days related to Home leave or Family visit travel are accurately recorded in the IMIS attendance record, Human Resources Services Section, ECA should instruct all Time and Attendance Clerks to verify with staff that those are accurately recorded at the earliest confirmation cycle (Rec. 08).

44. *ECA commented that it fully agrees. HRSS is putting in place a mechanism to ensure Travel Time is communicated to the staff member and the Time and Attendance (T&A) Assistant whenever HL and FV travel is processed. The Travel Time will be annotated in the Travel Request Form or PT.165 for staff member's information and e-mail will be sent to the respective T&A Assistant for inputting into IMIS/T&A. OIOS thanks for the initiatives taken by HRSS, which will facilitate accurate recording of the travel time. OIOS will close the recommendation upon notification of the result on the verification exercise for the Home leave related travel time in 2004 against IMIS Time and Attendance record.*

### **C. Mobility, Hardship and Non-removal allowance**

(a) Payment of Mobility and Non-removal allowances

45. In 2004, ECA paid a total of approximately US\$2.7 million for the mobility, hardship and non-removal allowances as detailed in the table below:

Table 1. – Breakdown of allowances

	Amount (in US\$)	No. of staff
Mobility	315,985	53
Hardship	1,989,924	263
Non-Removal	401,827	160

(b) Accuracy of the payments

46. OIOS found several errors in the payment of mobility and non-removal allowances, which resulted in both overpayments and underpayments. ECA verified those payments and initiated actions to recover some US\$50,000 as recommended by OIOS. Below is the summary of the findings:

- a) Due to incorrect application of the matrix position, two staff members (index numbers 859176 and 321898) were overpaid mobility allowance. It was estimated that approximately US\$3,000 could be recovered.
- b) Due to incorrect application of mobility reduction effective dates, approximately US\$45,000 of mobility allowances was overpaid for five staff members (index numbers 555945, 888822, 408468, 235431 and 555480). It was estimated that approximately US\$ 35,000 could be recovered.
- c) Approximately US\$13,000 of non-removal allowance was overpaid to three staff (index numbers 555945, 49895 and 917433) due to incorrect application of reduction effective date. The whole amount could be recovered.
- d) The mobility allowance for two staff members (index numbers 876271 and 905378) had not yet been granted due to an oversight.

(c) Adequacy of IMIS data

47. The IMIS data, which was the basis of allowance calculation and verification, was not always accurate or sufficient. While no financial implications were identified at the time of the audit, OIOS is of the opinion that unless the information is corrected it could lead to inaccurate payments of allowances in the future.

48. Several instances were noted where the IMIS mobility matrix data was incorrect and the allowance reduction effective date was absent as summarised below:

- a) There were several staff members whose hardship classification was wrongly indicated as H instead of C. It was explained that when the mobility indicator is off, IMIS defaults to H.
- b) There were several staff members whose mobility allowance was marked as granted while they were not eligible for the allowances. It was explained that there was a joint policy decision by the IMIS coordinator / Information Systems Services / HRSS focal points to this effect, which aimed at easier administration in the future for the staff who would be eligible in time. Although there were no financial implications due to their matrix positions, OIOS found it inconsistent and misleading, which should be corrected.

- c) The reduction effective date was not always set, which could lead to the overpayment in the future.

49. There were several cases where IMIS could not provide accurate and complete information and required manual adjustment or correction by HRSS. There were not always clear explanations for these changes documented anywhere leading OIOS to conclude that HRSS needed to strengthen the documentation kept in IMIS or personnel files to support changes made. For example:

- a) Staff member with index number 184672 was not granted mobility allowance while the IMIS data indicated the staff member was entitled to C-2 matrix position effective October 2001. It was explained that his five years continuous service had to be recounted from 1 June 2001 as he had resigned from UNDP when joining ECA.
- b) The exact date of movement to current duty station of staff member with Index number 250728 and 143433 was different from the information captured in the IMIS work experience data, which is the basis of mobility matrix determination. It was explained that IMIS work experience data is based on post incumbency rather than actual movement.

50. OIOS appreciated that HRSS has started to correct IMIS data to prevent further errors. As such, OIOS is not raising any recommendation on the individual cases of errors noted.

(d) A need for comprehensive review

51. OIOS reiterated and ECA agreed that the findings from the current audit reaffirmed the need for a comprehensive review of the accuracy and completeness of staff data on mobility and non-removal allowances. While a clean up exercise had been carried out at the time of IMIS payroll implementation in 2002, a comprehensive review for all staff in receipt of the allowances had not been carried out as recommended in the OIOS audit of payroll in 2000 (AA/2000/710/04/026). The Chief of HRSS explained that the review had not been carried out due to lack of resources and other priorities within HRSS.

52. At the time of the audit, Chief, HRSS initiated an extensive review of the allowances for all internationally recruited staff. The preliminary findings indicated multiple causes for incorrect payments of allowances including insufficient supervision, IMIS processing and data problems, and application of inappropriate policy, which would be analysed in greater detail.

53. OIOS has replaced its previous recommendation on the need for a comprehensive review of the allowances with the following recommendation that in order to ensure that the on-going comprehensive review of mobility and non-removal allowances leads to the establishment of a sustainable mechanism for the correct payment of allowances, Human Resources and Finance Division, ECA should finalise the extensive review of allowances by the end of June 2005 and document the results, detailing the nature of errors found, their cause, and the proposed actions to prevent a reoccurrence. An implementation plan should also be produced detailing the timetable for implementing the proposed actions.

54. *ECA informed that it has finalized the comprehensive review of mobility, hardship*

*and non-removal allowance. A comprehensive review of 247 staff members entitled to the allowances has been completed. A table with specific actions required by HRSS staff was prepared. Comprehensive guidelines for the clean up were developed and training was conducted to assist HRSS staff to undertake the clean up of mobility, hardship and non-removal allowance. Cases with payroll implications have been finalized. Recoveries for overpayment, as well as retroactive granting of entitlements for underpayment cases were completed. The remaining cases will be completed by 10 July 2005. Copy of the clean-up guidelines attached for information and the implementation plan are attached. OIOS was further informed that the comprehensive review resulted in identifying overpayments of US\$107,581, including those identified by OIOS. ECA informed that US\$68,670 could be recovered. OIOS thanks ECA for the prompt action taken, and in light of this development is not raising any recommendation on this matter. OIOS will include the amount recovered in the total recovery figure to be reported in the OIOS Annual Report.*

(e) Payment of Hardship allowance

55. ST/AI/2000/2 states that hardship allowance is paid to staff in the Professional category and above, Field Service staff and internationally recruited General Service staff, who are assigned to duty stations classified as B, C, D and E for a period of a year or longer, giving rise to an assignment grant. This could be interpreted as meaning that Professionals recruited locally were not eligible for hardship allowance for the first posting if they did not receive an assignment grant.

56. ECA practice was to grant the hardship allowance to locally recruited Professional staff if their contracts were for more than a year. Following the same logic, locally recruited General Service staff received the hardship allowance during the SPA period to Professional category.

57. The Chief of HRSS explained that ECA had followed the spirit of the hardship allowance: As stated in the same ST/AI, the hardship allowance is not considered as an expatriate benefit and is for the compensation of varying degree of hardship at different duty stations. Therefore, ECA had concluded that the allowance should not be tied with recruitment travel or assignment grant. As such, the allowance was paid to Professional staff with contracts longer than a year, regardless of their recruitment status, which is also the logic built into IMIS.

58. For clarification, ECA sought advice from OHRM, who provided rulings that hardship allowance is linked with payment of assignment grant on two occasions in January and November 2004. ECA was in the process of implementation of that ruling as of the audit date.

59. ECA raised the issue that other duty stations in the region, UNON and ICTR, had also adopted the practice of granting hardship allowance regardless of recruitment travel and assignment grant. Though Operational Services Division / OHRM indicated in October 2004 that the matter would be looked into, it appears that no action had taken so far; OIOS confirmed with UNON and ICTR that they had not received guidance from OHRM in this regard. OIOS is therefore referring this matter directly to the Human Resources Policy Service, OHRM and no recommendation has been raised for ECA.

(f) Extension of Mobility and Non-removal allowances

60. Exceptionally the period of payment may be extended for a period of up to one (for mobility) or two years (for non-removal) upon certification in accordance with Section 2.8 and 4.3 of ST/AI/2000/2. ECA practice was not to authorize any exception and allowances were automatically reduced or discontinued without notification or review of eligibility of extension.

**Recommendation:**

Human Resources and Finance Division, ECA should advise Human Resources Officers through a circular to review the cases of all staff members with impending reduction of mobility allowance or discontinuation of non-removal allowance to determine whether there are eligible for extension based on Paragraphs 2.8 and 4.3 of ST/AI/2000/2 (Rec. 09).

61. *ECA commented that mobility and non-removal allowances are incentives for staff members to move. The limitation of five years is intended to encourage staff larger mobility. Paragraphs 2.8 and 4.3 of ST/AI/2000/2 of 10 March 2000 on Mobility and Hardship clearly spell out the circumstances for which the maximum five years could be extended. The policy on this has been well established. The principle is to grant an exception when it is the Organization that requires the staff member to remain longer at a duty station. The fact that staff members may have tried to move but are unsuccessful is not the criterion for granting of an exception for longer payment of mobility and non-removal allowance. As indicated in paragraphs 2.3 and 4.3 of the ST/AI, the extension could be granted if staff member has not declined to be reassigned or if the staff member is asked to stay longer due to the need of his/her services. In addition, under mobility, when staff member's reassignment is imminent and expected before the end of the sixth year, and under non-removal, when staff member has compelling reasons to remain at the duty station, an exception could be granted. Thus, there are distinctions between the circumstances where a staff member has been selected/asked to move and declined and where a staff member wants to move but has not been selected. Under mobility and non-removal allowance, only the former qualified for an exception for extended payment, and not the latter. In light of this, ECA does not see the need to issue information circular advising staff members of when to request for an exception.*

62. OIOS appreciated ECA's clarification, indicating that it is necessary to deal with the issue on a case-by-case basis. This does not however address the issue of how a staff member would know he/she should claim and OIOS is not aware of any procedures currently in place that set out the position stated above, to assist HRSS in reviewing and determining eligibility. In light of this, OIOS will close the recommendation upon receipt of a copy of the procedures detailing how a staff member would be made aware of the right to claim, what information the staff member would be expected to provide and the mechanism HRSS proposes to use to determine whether an extension would be granted.

**D. Repatriation grant and Commutation of accrued leave balance**

(a) Repatriation Grant

Eligibility

63. In 2004, ECA paid approximately US\$364,000 to 11 staff for repatriation grant. OIOS tested all 11 cases and found no problem with the eligibility and the proof of relocation, which is the prerequisite for the payment of the allowance.

#### Calculation of grant by IMIS

64. IMIS calculates the allowance based on 52.1 weeks (or 365 days) as opposed to 52.2 weeks (for 261 working days) as suggested by the UN Accounting Manual, and applied to payroll. OIOS did not find any reason why the repatriation grant should be using a different logic and estimated that this difference meant that allowance might have been overpaid by approximately 0.2 per cent (approximately US\$700 for ECA and US\$12,000 for UN Headquarters in 2004). As the matter affects every office, which uses IMIS, OIOS is pursuing the issue with the Conditions of Service Section, OHRM.

#### Processing of grant claims

65. Arrangements for the processing of grant claims appeared to be adequate, with the following two exceptions:

- a) Staff member with index number 522628 was under paid by approximately US\$11,000. HRSS immediately took action to resolve the matter and no further action is recommended.
- b) The number of years and months in service, which is a critical element in determining the amount of grant paid, is entered into IMIS by HRSS after reviewing the relevant records of the staff member. OIOS had difficulty verifying the accuracy of this figure as HRS had not maintained sufficient supporting documentation to ensure that all factors affecting the calculation, such as special leave without pay, are taken into account in the calculation.

66. OIOS suggested that in order to ensure that there is complete and accurate information to support the ECA repatriation grant calculation in IMIS, ECA should develop a checklist to assist its staff in carrying out the calculation. The checklist should be placed on the personal file to support the figure entered into IMIS. *ECA commented that it fully agrees with the recommendation to ensure an accurate and documented calculation for repatriation grant in processing Separation PA. This entails calculating the years and months of service to be entered into IMIS. HRSS will implement immediately the requirement for the HRA to put in writing the chronological list of the staff member work history, showing the number of years/months served prior to and after 1 July 1979. This list should be presented to the HRO when approving the Separation PA and to be filed in the official status file for future reference. This will be implemented immediately* (OIOS noted that on 17 June 2005, Chief, HRSS issued a memorandum to staff in HRSS in this regard). OIOS thanks ECA for the prompt implementation actions taken and is not raising any recommendation on this matter.

#### Payment of grant for services rendered prior to 1 July 1979

67. Submission of documentary evidence of relocation away from the country of the last duty station is not required for the payment of grant applicable to the service rendered before 1 July 1979 as per Section 4.2 of ST/AI/2000/5 (Repatriation grant). It means that the repatriation grant could be paid in two instalments: First instalment for the service before 1 July 1979 at the time of separation and second instalment for the remainder of service upon receipt of proof of relocation. Though no documentary evidence is required, OIOS noted delays of up to six months in making payments of grant for service period

before 1 July 1979.

**Recommendation:**

Human Resources and Finance Division, ECA should develop a mechanism to enable immediate payment of repatriation grant with respect to services rendered before 1 July 1979 (Rec. 10).

68. *ECA commented that it fully agrees. HRSS and BFS will discuss the issue and develop the mechanism. Implementation is foreseen within two months. OIOS thanks for the timetable for the implementation. The recommendation will be closed upon receipt of agreed mechanism for immediate payment of repatriation grant with respect to services rendered before 1 July 1979.*

(b) Commutation of accrued annual leave

Eligibility

69. In 2004, ECA paid approximately US\$267,000 to 51 staff for commutation of accrued leave. OIOS tested eight cases representing approximately 64 percent of the amount paid and found no problems with regard to the eligibility.

Calculation of allowance

70. Commutation of annual leave is based on the net salary plus post adjustment and the number of days of accrued leave balance at the time of separation:

- a) No problems were noted with regard to the calculation of daily salary.
- b) The leave balance was usually confirmed by the Time and Attendance Clerk with no involvement of the staff member.
- c) Staff member with index 851628 was overpaid approximately US\$1,500. As HRSS is taking necessary action for recovery no further action is proposed beyond including this amount in the total recovery figure to be reported in the OIOS Annual Report.

71. OIOS suggested that in order to ensure the accuracy of the accrued leave balance used for commutation of ECA annual leave, ECA should amend existing instructions to require confirmation from both the staff member and the Time and Attendance clerk. *ECA commented that it would enforce this requirement. However, it should be noted that confirmation of T&A is already an existing requirement. Each month, staff member and supervisor sign the T&A IRFA report that shows the days when leave are taken during that month and submit it to HRSS for official record keeping. Each end of the year, the same is signed by the staff member showing balance to be carried forward. In general, this procedure is working well, except for a number of areas where performance has not been encouraging. HRSS had sent an official memorandum to the Director concerned bringing to his/her attention the problems encountered with their respective Divisions. OIOS appreciated ECA's clarification on existing control arrangement and initiative for enforcing it and is not raising any recommendation on this matter.*

Payment of allowance

72. Whilst supporting ECA's practice of withholding 20 per cent of commutation of annual leave until the clearance procedures have been finalized, OIOS is concerned at the

lack of procedures to ensure timely payment of the balance upon completion of clearance procedures. At the time of the audit, the outstanding withholdings amounted to approximately US\$29,000, some of which dated back to 2002.

**Recommendation:**

To ensure timely payment of commutation of accrued leave balance to ECA staff withheld pending satisfactory completion of clearance procedures, Human Resources and Finance Division should amend existing procedures to include regular checks on cases where money has been withheld (Rec. 11).

73. *ECA commented that it fully agrees. HRSS and BFS will discuss the issue and develop the mechanism. Implementation is foreseen within two months.* OIOS will close the recommendation upon receipt of document on agreed mechanism to ensure timely payment of commutation of accrued leave balance to ECA staff withheld pending satisfactory completion of clearance procedures.

**E. Organisation and Management**

(a) Organisational structure

**Roles and responsibilities of HRSS**

74. OIOS had earlier recommended that HRSS should review and update its list of roles and responsibilities (AA2002/710/03/001). The OHRM monitoring mission in 2003 also recommended that HRSS roles and responsibilities should be enhanced by taking on the roles of strategic and policy advice, and leadership and advice in change management.

75. Whilst there are resources on paper to carry out the current and proposed enhancements to its tasks, HRSS has experienced great difficulty in recruiting qualified staff and at the time of the audit had continuing vacancies due to sick leave and missions. OIOS agrees with the Chief, HRSS that the current professional capacity does not allow HRSS to fully meet the existing and proposed enhancement to its roles and responsibilities.

76. OIOS is of the opinion that more support from OHRM is needed while ECA continues its efforts to fill the vacancies through the staff selection system. As such, the existing recommendation is closed and replaced by the following.

**Recommendation:**

To enable Human Resources Services Section (HRSS), ECA to fulfil its roles and responsibilities, the Office of the Executive Secretary, ECA should seek assistance from OHRM in developing and implementing a strategy and action plan for establishing a full and stable professional complement of HRSS (Rec. 12).

77. *ECA commented that it would forward the recommendation to Executive Secretary.* OIOS will close the recommendation upon notification of a development of strategy and action plan for establishing a full and stable professional complement of HRSS.

(b) Work Planning and Monitoring

78. In order to further improve the work planning system, OIOS recommended in its audit in 2002 that HRSS should establish clear timeframes for processing staff entitlements and collect statistics on the actual time required (AA2002/710/03/002). Such milestones are important in enabling management to decide the adequacy of HRSS performance and whether sufficient resources are allocated.

79. Whilst progress was made on home leave and education grant, OIOS kept the recommendation open as HRSS was yet to establish official time frames for certain entitlements. For example, OIOS sample test indicated that the certification by HRSS upon the submission of the education grant claims usually took around a month. ECA was not in a position to assess its performance, as it did not systematically maintain and monitor against performance indicators to judge the adequacy of actual performance.

80. *The Chief, HRSS explained that while the intention of the recommendation is appreciated and certain progress has been made, its full implementation would also require stable organisation with sufficient staff complement to ensure maximum benefit from those activities. Otherwise, the establishment of timeframe for processing and its monitoring would not serve its full purposes. It was explained that the work of HRSS has been allocated in accordance with workload indicators such as number of staff, and number of requests for consultants from each client Sections or Divisions and the changes in the availability of the professional staff. Currently, the administration of staff entitlement is carried out by four separate teams, three of which are under the supervision of short-term professional staff. The fourth team is headed by a regular professional staff.*

81. While appreciating the explanation from HRSS, OIOS draws management's attention to the key elements of the previous recommendation and actions necessary for full implementation of the recommendation as below:

- a) **Target dates for submission of requests and claims** - OIOS was pleased to note that target dates for submission of claims have been incorporated for education grant and home leave. Whilst this was an excellent initiative to give guidance to staff, its value was largely lost as no data was kept recording what happened in practice. This was necessary to determine whether any changes were required to the submission date or whether additional measures were required to make staff aware of the need to follow the submission deadline.
- b) **Time frames or benchmarks for the processing of staff entitlements and their monitoring** – Except for home leave, there was no official timeframe for processing of request for entitlements. As a result, it was not clear how the performance of HRSS in administering the entitlements could be evaluated. Such information, when monitored, would also help in determining any room for improvement and whether resources have been adequately allocated among the teams.
- c) **Management Information** - HRSS needed a mechanism to define and collect basic management information such as the number of staff entitled to a particular benefit and number of cases of requests in order to better monitor the workload and report accordingly. Further, no data was systematically collected for actual performance such as the number of children involved and the schools which the majority of the students attend. Similarly, statistical information on

number of staff entitled to other staff entitlements such as home leave, family visit, and mobility and non-removal allowances was not systematically maintained. The support from IMIS team is required in this regard as explained in the next section.

82. With specific regard to the management information, the Chief, HRSS explained that while such data is useful for analysis from time to time, HRSS does not see the added value of maintaining such statistical data: i) it will need allocation of valuable resources to update the database daily, when the information is already centrally stored in IMIS; ii) if not updated continuously, the database would be useless for reporting purposes as data would change everyday; and, iii) the need of information is periodical and can be served very well through query from IMIS with correct and precise specifications

83. Whilst appreciating the position taken, HRSS has yet to define what its management information needs are and therefore could not demonstrate that all the data it needs is readily available in IMIS.

### **Recommendation:**

In order to further assist in work planning and monitoring for the processing of ECA entitlements, Human Resources Services Section, ECA, should define its management information needs and coordinate with the IMIS Coordinator for clarifying data specification and procedures for producing such management information on all entitlements administered, such as numbers of staff entitled to education grant, number of children involved and the type of schools they attend, number of home leave request (Rec. 13).

84. *ECA commented that HRSS would coordinate with IMIS Coordinator its management information requirements.* OIOS thanks for the comments and close the recommendation upon receipt of HRSS management information requirement as agreed with IMIS Coordinator.

(c) IT arrangements

### **Document tracking system**

85. To ensure adequate control over documents and the timely processing of allowances, OIOS had recommended that ECA develop a document tracking system, which would ensure that each document related to the processing of staff entitlement could be tracked and monitored (AA2003/710/02/005). OIOS was informed that ECA was conducting a study on development of electronic document management and control through Lotus Notes, which will result in a tracking system for the whole of ECA, with access rights as required, and, once finalized, it is expected to meet the requirement of the audit recommendation. However, no timeframe has been set up yet for the completion of the system.

86. The recommendation remains open and OIOS draws management's attention that such system is essential for the development of adequate work planning and monitoring system for the performance of HRSS.

### **Arrangement for IMIS support**

87. HRSS heavily relies on IMIS for processing all entitlements. While IMIS support has been provided from the IMIS team of ISS, there was no clear understanding on the detailed support level expected from HRSS, which should be used as a basis for monitoring and evaluation of the adequacy of IMIS support. Further, it was not clear whether there was an adequate coordination arrangement between IMIS team and HRSS for the enhancement of IMIS utilisation as a management tool.

88. The Chief, HRSS explained that the core issue of IMIS support in ECA, and perhaps the same in many other duty stations, is the absence of HR/IMIS person who is knowledgeable on the HR policies as well as the IMIS system, so that he/she could review problems communicated by the user community and prescribe workable solution, including coordination with IMIS / ITSD in submission of requests for enhancement or correction of bugs.

**Recommendation:**

In order to ensure adequate IMIS support and efficient use of IMIS, Human Resources Services Section, ECA should consult with the IMIS Coordinator to clarify the expected nature and level of service including the coordination arrangement and determine required resources and organisational structure for such level of support (Rec. 14).

89. *ECA commented that HRSS would coordinate with IMIS Coordinator.* OIOS will close the recommendation upon notification of the clarification on the expected nature and level of IMIS service including the coordination arrangement and determine required resources and organisational structure for such level of support.

(d) Progress in implementing previous recommendations

90. OIOS was pleased to note that approximately 85 percent of the recommendations raised in prior reports had been implemented. Progress on the remaining recommendations related to administration of staff entitlement (including two critical ones) has been discussed above.

**V. FURTHER ACTIONS REQUIRED ON RECOMMENDATIONS**

91. 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:

Rec. Number	Action Required
Rec. 01	Notification of the mechanism put in place to identify and investigate any contradictions between claim forms submitted from the same school or among the claims forms for similar items submitted from different schools, which should include development and sharing of a database on frequently attended schools and their basic terms and conditions.
Rec. 02	Notification of the full recovery of old advances and mechanism put

	in place to prevent a reoccurrence of the problem
Rec. 03	Notification of the outcome of discussions with OHRM to seek a modification of Section 3.5 of ST/AI/2004/2 to give greater flexibility in the recognition of on-line training as an alternative rather than as an exception.
Rec. 04	Receipt of the procedures put in place to ensure that the annual dependency review is carried out in compliance with ST/AI/2000/8 (Dependency status and dependency benefits)
Rec. 05	Notification of the results of the data clean up exercise carried out for dependency status of children aged over 18 years and who are not full time students.
Rec. 06	Receipt of revised ST/ECA/IC/03/29
Rec. 07	Receipt of review result on appropriate process to ensure recovery of travel costs where ECA has provided the ticket and the staff member fails to submit the F.10 claim within the timeframe.
Rec. 08	Notification of the result on the verification exercise for the Home leave related travel time in 2004 against IMIS Time and Attendance record.
Rec. 9	Receipt of a copy of the procedures detailing how a staff member would be made aware of the right to claim an extension of hardship and non-removal allowance, what information the staff member would be expected to provide and the mechanism HRSS proposes to use to determine whether an extension would be granted.
Rec. 10	Receipt of agreed mechanism for immediate payment of repatriation grant with respect to services rendered before 1 July 1979.
Rec. 11	Receipt of document on agreed mechanism to ensure timely payment of commutation of accrued leave balance to ECA staff withheld pending satisfactory completion of clearance procedures.
Rec. 12	Notification of a development of strategy and action plan for establishing a full and stable professional complement of HRSS
Rec. 13	Receipt of HRSS management information requirement as agreed with IMIS Coordinator.
Rec. 14	Notification of the clarification on the expected nature and level of IMIS service including the coordination arrangement and determine required resources and organisational structure for such level of support

## **VI. ACKNOWLEDGEMENT**

92. I wish to express my appreciation for the assistance and cooperation extended to the audit team by management and staff of ECA Staff Administration Section.

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