



## **INTERNAL AUDIT DIVISION**

# **AUDIT REPORT**

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### **Audit of human resources management in ECA**

**Overall results relating to human resources management in ECA were initially assessed as partially satisfactory. Implementation of four important recommendations remains in progress**

**FINAL OVERALL RATING: PARTIALLY  
SATISFACTORY**

**10 December 2012  
Assignment No. AN2012/710/01**

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# AUDIT REPORT

## Audit of human resources management in ECA

### I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the human resources management in the Economic Commission for Africa (ECA).
2. In accordance with its mandate, OIOS provides assurance and advice on the adequacy and effectiveness of the United Nations internal control system, the primary objectives of which are to ensure: (a) efficient and effective operations; (b) accurate financial and operational reporting; (c) safeguarding of assets; and (d) compliance with mandates, regulations and rules.
3. ECA's proposed programme budget under Section 17 for the biennium 2010-2011 was \$192.7 million. Table 1 below shows that as at 31 December 2011, ECA administered 687 regular budget posts and 72 posts from the extra-budgetary funds, which included posts for other organizational units such as Office of Staff Legal Assistance – Addis Ababa, New Partnership for Africa's Development (NEPAD) and Safety and Security.

**Table 1: Approved Regular budget posts for ECA as at 31 December 2011**

<b>Section of the Programme Budget</b>	<b>Professional</b>	<b>General Services</b>	<b>Total</b>
Section 17: Economic and Social Development of Africa	234	319	553
Section 01: Office of Staff Legal Assistance – Addis Ababa	1	0	1
Section 11: NEPAD	4	1	5
Section 34: Safety and Security	3	125	128
<b>Total</b>	<b>242</b>	<b>445</b>	<b>687</b>

4. The Human Resources Services Section (HRSS) provided support to ECA for all human resources activities. Headed at the P-5 level and with 37 posts (seven professionals and 30 General Service), HRSS had three units. The Staff Development Unit (SDU) was responsible for providing learning opportunities and organizational support. The Staff Services Unit (SSU) issued offers of appointment, and inducted new staff members. The Staff Selection and On-boarding Unit (SSOU) was responsible for processing recruitment against regular and temporary appointments and determined grade levels.
5. Comments provided by ECA are incorporated in *italics*.

### II. OBJECTIVE AND SCOPE

6. The audit of ECA's human resources management was conducted to assess the adequacy and effectiveness of governance, risk management and control processes in providing reasonable assurance that ECA meets its human resources needs and administers staff effectively.
7. Key controls tested for the audit were: (a) senior management compact; (b) human resources targets and strategies; (c) recruitment and appointment policies and procedures; and (d) training and development plans. For the purpose of this audit, OIOS defined these key controls as follows:

- (a) **Senior management compact** - controls that provide reasonable assurance that the commitments made through the compact are achieved and accurately reported upon.
- (b) **Human resources targets and strategies** - controls that provide reasonable assurance that human resources targets and strategies are met to ensure achievement of ECA's objectives.
- (c) **Recruitment and appointment policies and procedures** - controls that provide reasonable assurance that applicable policies and procedures are followed in recruiting and appointing staff.
- (d) **Training and development plans** - controls that provide reasonable assurance that the training and development plans improve competency-based skills of staff and enhance productivity.

8. OIOS conducted the audit from 15 March to 2 May 2012. The audit covered the period from January 2010 to December 2011.

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

### **III. AUDIT RESULTS**

10. ECA's governance, risk management and control processes examined were assessed as **partially satisfactory** in providing reasonable assurance that ECA meets its human resources needs and administers staff effectively. OIOS made six recommendations to address issues identified in this audit. ECA was not fully using Inspira to process recruitment and as a result the recruitment timeline was not captured and reported accurately. The achievement against targets set for strategic indicators improved with ECA succeeding in reducing the recruitment timelines and vacancy rates for 2011, but significant effort was still needed to meet all targets. The Joint Negotiating Committee established in ECA did not meet with the frequency established in its Rules of Procedures. There was a lack of succession planning, which resulted in anticipated vacancies not being advertised on a timely basis. The process of developing the training plan for ECA was assessed as satisfactory.

11. The initial overall rating was based on the assessment of key controls presented in Table 2 below. The final overall rating is **partially satisfactory** as implementation of four important recommendations remains in progress.

**Table 2: Assessment of key controls**

Business Objective	Key controls	Control objectives			
		Efficient and effective operations	Accurate financial and operational reporting	Safeguarding of assets	Compliance with mandates, regulations and rules
To meet its human resources needs and administer staff effectively	(a) Senior management compact	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(b) Human resources targets and strategies	Partially satisfactory	Satisfactory	Satisfactory	Partially satisfactory
	(c) Recruitment and appointment policies and procedures	Partially satisfactory	Partially satisfactory	Partially satisfactory	Partially satisfactory
	(d) Training and development plans	Satisfactory	Satisfactory	Satisfactory	Satisfactory
<b>FINAL OVERALL RATING: PARTIALLY SATISFACTORY</b>					

### **A. Senior management compact**

#### Inaccurate reporting of 2010 Human Resources Action Plan (HRAP)

12. The 2010 and 2011 compact assessments were extracted from Inspira and reflected underachievement with respect to key targets. ECA was not using Inspira in conducting its recruitment activities as it had not started operating fully until May 2012. The recruitment process was conducted outside Inspira through emails from the hiring managers to HRSS and vice versa, and completed staff selection cases remained open in Inspira. As HRAP<sup>1</sup> captured the data for its assessment from Inspira, it reflected high average staff selection time and hence the compact assessments were not accurate. ECA's 2011 compact assessment showed 316 days as the average recruitment time for all its posts. In fact, the actual time taken for recruitment in 2011 ranged between 80 and 279 days. Nevertheless, the recruitment timeline exceeded the HRAP target of 92 days.

**(1) ECA should use Inspira to process recruitment to fully capture the timeline and to measure performance against the Human Resources Management Scorecard targets.**

*ECA accepted recommendation 1 and stated that effective June 2012, it has been using all the functionalities of Inspira. Recommendation 1 remains open pending receipt of evidence that all recruitment activities are being fully conducted in Inspira, and Inspira data is used for accurate reporting of performance against human resources targets.*

### **B. Human resources targets and strategies**

#### Improved achievement against set key targets and strategic indicators

13. The six strategic indicators in the HRMS pertain to recruitment timeline, vacancy rate, gender parity, geographical representation and compliance with security training. The targets and achievements for the four key strategic indicators are illustrated in Table 3. Targets for strategic indicators were

<sup>1</sup> In 2011, the HRAP was revised and renamed as the Human Resources Management Scorecard (HRMS).

adjusted to more achievable results in 2011. Although the achievement against targets improved with ECA succeeding in reducing the recruitment timelines and vacancy rates for 2011, significant effort was still needed to meet all targets.

**Table 3: Human Resources Strategic Indicators - Targets and achievements**

Sl. No.	Strategic Indicator	Specific Indicator	2010 Target	2010 Assessment	2011 Target	2011 Assessment
I.	Reduce recruitment timeline	Average selection time in Galaxy for all posts	120 days	418 days	92 days	316 days
II.	Reduce vacancy rate	Vacancy rate for Regular Budget (RB) posts  (For Section 17 of the Programme Budget)	5 %	N.A. (May 2011 vacancy rate – 16.6 %)	15.9 %	14.8 %
III.	Improve representation of women in all categories	Female selections in Professional category	50 %	28 %	40.5 %	38.5 %
IV.	Improve representation of women at senior levels	Female selections in Director category	50 %	0 %	28.7 %	18.7 %

Improvement in the monitoring mechanism for strategic indicators

14. ECA had an overall vacancy rate of 15.5 per cent for 2011 as 107 of the 687 established posts were vacant as of 31 December 2011. The vacancy rate was 19.4 per cent for the professional posts.

15. The Office of Human Resources Management (OHRM) monitors the human resources (HR) targets and strategies through the HRMS tool which is reported on an annual basis. While HRSS monitors the vacancy rates at the section level, the HR targets and strategic indicators were not monitored at senior management level on a regular basis. Subsequent to the audit, ECA established systems to regularly monitor the progress of the strategic indicators and the vacancy rates through the Senior Management Team (SMT) by including vacancy management as an agenda item in the SMT meetings. Based on the action taken by ECA, controls over monitoring human resources management strategic indicators have been assessed as adequate.

Proposed HRSS restructuring is supported with plans to develop the required skills

16. There was a lack of organized and systematic hand-over of responsibilities from on-boarding to administration. As a result, the officials responsible for recruitment found it difficult to trace the cases for any follow-up, leading to lack of clarity between the units with regard to their responsibilities. HRSS indicated that it was planning an organizational restructuring of its three units as the coordination among them was inadequate. The proposed restructuring envisaged establishment of integrated units for recruitment and entitlements to address the existing deficiencies and the creation of a separate unit for planning and policy. The restructuring required cross-cutting skills amongst HRSS staff who were unequipped with the required competencies. Moreover, the Chief of Staff Selection and On-boarding Unit (SSOU) was on assignment and the post was temporarily filled.

17. Subsequent to the audit, ECA conducted a skills inventory and developed a training programme intended to fill the skills/knowledge gap. Training was scheduled to commence effective mid-September 2012. In light of the action taken by ECA, controls over proposed restructuring of HRSS have been assessed as adequate.

Controls over granting of special post allowance (SPA) and clearing the backlog of pending cases have improved

18. In 2010-2011, there were 47 staff members on SPA and two cases dated back to 2004. According to the ST/AI/1999/17, an SPA could be granted for a temporarily vacant post or position for which action for filling the post had already been initiated. An SPA could also be granted for an initial period of one year and could be extended for a total period of two years. The majority of staff members receiving SPA were not encumbering posts which were approved by the SPA Panel but were placed on borrowed posts from other Divisions to ensure that the staff members received the allowance without interruption. The two old SPA cases pertained to HRSS related to allowances granted to higher positions for an extended period because these posts had not been filled for a long time.

19. The granting of SPAs for an extended period was discontinued after a 2009 OHRM mission to ECA. During the audit, only four staff members were in receipt of a SPA. However, as of March 2012, 19 SPA requests were pending with HRSS for processing. Following the audit, ECA cleared the backlog of pending cases and issued an information circular that provided a clear policy and guidelines to managers and staff on the procedures for payment of SPAs. In light of the action taken by ECA, controls over granting of SPAs and clearing the backlog of pending cases have been assessed as adequate.

Controls over general temporary assistance (GTA) posts have improved

20. According to instructions from the Controller for budget preparation, the appointment of staff under GTA should normally be for less than a year of continuous service. In ECA, there were 71 staff members on GTA posts in the 2010-2011 biennium and most of the staff members on GTA posts had tenures ranging from 1 to 35 years and many had completed their entire career on GTA posts. The use of GTA funding for posts of a permanent nature has prevented ECA from utilizing these funds for meeting its temporary requirements which have been met through Individual Contractors (ICs). This is reflected in 802 ICs engaged by ECA in 2010-2011.

21. However, since 2010 ECA has made concerted effort to regularize the long serving staff on GTA posts and reduced the number of such staff to 47 in 2010 and 24 in 2011. In addition, a task force has also been established to continuously monitor the remaining GTA posts to complete regularizing them. In light of the actions taken by ECA, controls over GTA posts are assessed as adequate.

Infrequent meetings of Joint Negotiation Committee (JNC)

22. In ECA, the JNC was established in December 2009. The JNC's first meeting took place in July 2010 when its Rules of Procedure were adopted. The Rules of Procedure required that the JNC meet every alternate month. However, since its formation in December 2009, the JNC met only four times as of May 2012, indicating potential inadequate staff-management consultation.

**(2) ECA should hold Joint Negotiating Committee meetings at alternate months as required under ST/SGB/2007/9 to ensure an effective staff-management consultation.**

*ECA accepted recommendation 2 and stated that the JNC met when there were substantive issues to discuss. Recommendation 2 remains open pending receipt of evidence that JNC meetings are held*

every alternate month in compliance of ST/SGB/2007/9.

#### Unsatisfactory e-PAS compliance and lack of reporting to the OHRM

23. As at March 2012, ECA had a 71 per cent e-PAS compliance rate for the 2010-2011 cycle. ST/AI/2010/5 emphasizes the importance of completing the performance evaluation cycle on time. Furthermore, according to Section 11 of the ST/AI/2010/5, each Department shall report to OHRM on e-PAS compliance, consistency and fairness in the implementation, ratings and other relevant data no later than 30 June of each year. However, no such report was being prepared by ECA at the time of audit fieldwork in July 2012.

**(3) ECA should complete the e-PAS of its staff for the 2011 cycle without further delay and report to OHRM on e-PAS compliance and consistency as required by ST/AI/2010/5.**

*ECA accepted recommendation 3 and stated that as of September 2012 e-PAS compliance was 80 per cent and it will continue its efforts to improve e-PAS compliance to the 100 per cent target. Based on the action taken by ECA, recommendation 3 has been closed.*

### **C. Recruitment and appointment policies and procedures**

#### Need to strengthen controls over ECA's staffing table

24. ECA's Budget Unit controls the staffing table for established posts and HRSS monitors the incumbency report. Each staff movement is recorded both in the staffing table and the incumbency reports. However, HRSS manually maintains the incumbency report, which is not updated on real-time basis. This has led to a mismatch of data between the staffing table, the incumbency report and the Integrated Management Information System (IMIS).

25. In order to strengthen control over its staffing table, ECA approached the United Nations Office at Nairobi (UNON) in 2012 to obtain UNON's Post Management Tool, which would make the system of maintaining the staffing table and the incumbency table more efficient and reliable. UNON has agreed to share this tool and train the ECA staff in maintaining the staffing table on the relevant software. However, validating the staffing table in IMIS is a pre-requisite before the staffing table information can be migrated from IMIS to the UNON software.

**(4) ECA should keep the IMIS post management data up to date as a pre-requisite before migrating the data to the new staffing table software to ensure its accuracy.**

*ECA accepted recommendation 4 and stated that customization of the system and data migration has been finalized and both Budget Unit and HRSS were currently working on the issues of data validity to ensure accuracy and reliability. Recommendation 4 remains open pending receipt of evidence that the IMIS data has been validated before migrating it to the new staffing table software.*

#### Lack of succession planning

26. According to Section 3.2 of ST/AI/2003/6, each anticipated vacancy should be advertised at least six months before the actual vacancy. For succession planning purposes, departments and offices are required to regularly identify staff who are due for retirement within a period of 12 months.

27. In ECA, seven of the vacancies in 2011 were due to retirement. In none of the cases were the vacancies advertised six months prior to their occurrence. Similarly, six staff members were retiring by November 2012 in the professional and above category. These anticipated vacancies for 2012 were not advertised as of May 2012. This could prevent ECA from filling the posts in a timely manner.

**(5) ECA should advertise all anticipated vacancies arising due to retirement, at least six months before they occur, to reduce its vacancy rate.**

*ECA accepted recommendation 5 and stated that it has an established system in place to advertise all anticipated vacancies at least six months before they occur. Based on action taken by ECA, recommendation 5 has been closed.*

Engagement of consultants in ECA's UN Health Care Centre (UNHCC) does not comply with ST/AI/1997/7

28. ECA recruited 632 consultants and 802 individual contractors during the 2010-2011 biennium. The UN Health Care Centre (UNHCC) in ECA engaged 158 consultants, representing 25 per cent of all consultants engaged in 2010-2011. UNHCC provided medical services to ECA staff and their dependents and those of other UN agencies and the World Bank in Addis Ababa, and rendered 24/7 outpatient and in-patient services. The UNHCC consultants were engaged in perpetuity and their duration for the period from January 2009 to June 2012 varied from 38 to 42 months of continuous tenure. Most of these consultants were medical specialists.

29. As per Section 5.3 of the ST/AI/1999/7, no consultant should provide services for more than 24 months in a 36-month period. The Chief Medical Officer of UNHCC explained that these doctors provided service for only a number of hours translating into few days in a week and therefore, the total days of service provided by them was far below the 24-month limit. However, the duration of the contract was specified in a period of time for service delivery and not in actual time served.

**(6) ECA should formulate special service agreements for consultants of UN Health Care Centre specifying appropriate duration of service within the provisions of ST/AI/1999/7.**

*ECA accepted recommendation 6 and stated that the contracts for Consultants and Individual Contractors would be changed to the modality of "When actually employed" (WAE) so that the actual periods they serve are more formally and appropriately recorded. Recommendation 6 remains open pending receipt of evidence that the WAE modality has been adopted.*

## **D. Training and staff development plans**

The process for developing the training plan in ECA was satisfactory

30. The SDU in HRSS conducted 47 training programmes in 2010-2011. The 2012 training plan was prepared following the guidelines of ECA's Inter-Divisional Committee on Learning and Development to ensure that the plan was representative of the needs of all Divisions of the Commission. The process followed in developing the training plan has been assessed as satisfactory.

#### IV. ACKNOWLEDGEMENT

31. OIOS wishes to express its appreciation to the Management and staff of ECA for the assistance and cooperation extended to the auditor during this assignment.

A handwritten signature in black ink, appearing to read "Fatoumata", written over a horizontal line.

Ms. Fatoumata Ndiaye, Director  
Internal Audit Division, OIOS

## STATUS OF AUDIT RECOMMENDATIONS

## Audit of human resource management in ECA

Recom. no.	Recommendation	Critical <sup>2</sup> / Important <sup>3</sup>	C/ O <sup>4</sup>	Actions needed to close recommendation	Implementation date <sup>5</sup>
1.	ECA should use Inspira to process recruitment to fully capture the timeline and to measure performance against the Human Resources Management Scorecard targets.	Important	O	Evidence that all recruitment activities are processed in Inspira.	March 2013
2.	ECA should hold Joint Negotiating Committee meetings at alternate months as required under ST/SGB/2007/9 to ensure an effective staff-management consultation.	Important	O	Evidence that the Joint Negotiation Committee (JNC) meetings to be held every alternate month in compliance of ST/SGB/2007/9.	March 2013
3.	ECA should complete the e-PAS of its staff for the 2011 cycle without further delay and report to OHRM on e-PAS compliance and consistency as required by ST/AI/2010/5.	Important	C		Implemented
4.	ECA should keep the IMIS post management data up to date as a pre-requisite before migrating the data to the new staffing table software to ensure its accuracy.	Important	O	Evidence that IMIS data is validated before migrating it to the new staffing table software.	December 2012
5.	ECA should advertise all anticipated vacancies arising due to retirement, at least six months before they occur, to reduce its vacancy rate.	Important	C		Implemented
6.	ECA should formulate special service agreements for consultants of UN Health Care Centre specifying appropriate duration of service within the provisions of ST/AI/1999/7.	Important	O	Evidence that the “when actually employed” (WAE) modality has been adopted for UN Health Care Center (UNHCC) consultants/individual contractors	February 2013

<sup>2</sup> Critical recommendations address significant and/or pervasive deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance cannot be provided regarding the achievement of control and/or business objectives under review.

<sup>3</sup> Important recommendations address important deficiencies or weaknesses in governance, risk management or internal control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

<sup>4</sup> C = closed, O = open

<sup>5</sup> Date provided by ECA in response to recommendations.

