



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

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AUD: AA-ECA: (04/2006)

4 April 2006

TO: Mr. Abdoulie Janneh, Executive Secretary  
Economic Commission for Africa (ECA)

FROM: Corazon Chavez, Officer-in-Charge  
Internal Audit Division II  
Office of Internal Oversight Services (OIOS)

SUBJECT: **Audit of ECA United Nations Health Care Centre (UNHCC)**  
**(AA 2005/710/05)**

1. I am pleased to submit the final report on the audit of ECA United Nations Health Care Centre (UNHCC), which was conducted between November 2005 and January 2006 in Addis Ababa, Ethiopia by Mr. Byung-Kun Min. A draft of the report was shared with the Director of Human Resources and Finance Division in February 2006, who could not provide written comments, but indicated that all the recommendations were accepted and is in the process of implementing them.
2. I am pleased to note that all audit recommendations contained in this final report have been accepted and that ECA has initiated their implementation. The table in paragraph 98 of the report identifies those recommendations, which require further action to be closed. I wish to draw your attention to recommendations 01, 02, 07, 10, 23, 28 and 34, which OIOS considers to be of critical importance.
3. I would appreciate 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 2006. 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 form 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 form

cc: Mr. C. Burnham Under-Secretary-General for Management (by e-mail)  
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**Office of Internal Oversight Services  
Internal Audit Division II**

# **Audit Report**

**Audit of ECA United Nations Health Care Centre  
(AA 2005/710/05)**

**Report date: xx April 2006**

**Auditor: Byung-Kun Min**



Office of Internal Oversight Services  
Internal Audit Division II

**Audit of ECA United Nations Health Care Centre (UNHCC)**  
**(AA 2005/710/05)**

**EXECUTIVE SUMMARY**

Between November 2005 and January 2006, OIOS conducted an audit of ECA United Nations Health Care Centre (UNHCC). The total expenditure for UNHCC for 2004 - 2005 was approximately US\$3 million. *Whilst ECA could not meet the deadline for comments on the draft audit report, ECA indicated that all the recommendations were accepted and in the process of being implemented.*

UNHCC has been playing a major role in providing medical services to United Nations staff and their dependents in Ethiopia and OIOS appreciated its commitment for quality and client oriented service strategy. All the same, the audit made recommendations to enhance the overall management framework, which included the need to:

- a) Governance - Streamline the current structure and ensure regular and timely meetings.
- b) Mandate – Review the validity of its mandate and verify the appropriateness of the current service level in conjunction with the medical services provided locally and in the region.
- c) Organizational structure – Reconsider the respective roles and responsibilities between Chief Medical Officer and Medical officer clarify the relationship with the United Nations Medical Services Division.
- d) Planning and monitoring – Develop a health strategy and to ensure effective annual operational planning. Furthermore, there is a need to establish an arrangement for effective performance measurement and a systemic quality assurance mechanism for medical services.
- e) Financial management - Review the appropriateness of the funding structure of UNHCC, which relies more on contributions from the ECA and other United Nations agencies without due consideration of the reasonable cost recovery from insurances and staff.

OIOS also made recommendations to strengthen UNHCC operations, which included the need to:

- a) Expedite the recruitment process for Chief Medical Officer and Medical officer.
- b) Improve the administrative procedures for medical evacuation and MIP
- c) Develop a long term replacement plan for medical equipment and establish a performance benchmark to monitor effective use;
- d) Develop an electronic inventory control system for its pharmaceutical drugs.
- e) Upgrade the current UNHCC system to include such functionalities needed for efficient operation.

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## **I. INTRODUCTION**

1. This report discusses the results of an OIOS audit of ECA United Nations Health Care Centre (UNHCC), which was carried out between November 2005 and January 2006 in accordance with the International Standards for the Professional Practice of Internal Auditing.
2. UNHCC has been operating since 1994 on a fee-paying basis. UNHCC provides services not only to ECA but also to United Nations Staff in Ethiopia. In 1996, ECA entered into an agreement with other United Nations agencies in Ethiopia (“Participating agencies”) to define the managerial and operational framework for UNHCC.
3. UNHCC is headed by a Chief Medical Officer (CMO), at the P-5 level, who is supported by four Professional (P) and 27 General Service (GS) staff. The CMO post, which has been vacant since May 2001, is currently encumbered by the Medical Officer on SPA as Officer-In-Charge (OIC). UNHCC incurred US\$1.4 million of expenditures in 2004, funded by contributions from ECA participating agencies and other cash revenues. The budget for 2005 was US\$1.8 million. ECA manages the UNHCC fund, and has established a special account for this purpose.
4. UNHCC provides a wide spectrum of clinical services including internal medicine, pediatrics, gynecology, obstetrics, cardiology and neurology for which UNHCC hires some 23 consultant doctors. In 2004, UNHCC had approximately 20,000 health visits, including around 1,400 visits over the weekend or night.
5. A draft of the report was shared with the Director of Human Resources and Finance Division in February 2006, who could not provide written comments, but indicated that all the recommendations were accepted and are in the process of being implemented.

## **II. AUDIT OBJECTIVES**

6. The overall objective of the audit was to advise Executive Secretary of ECA, in his capacity as the Chair of UNHCC Executive Committee, on the adequacy of management and operation of UNHCC. This involved:
  - (a) Assessing the efficiency and effectiveness of the arrangements for management and operating UNHCC; and
  - (b) Reviewing compliance with United Nations Regulations and Rules and other administrative circulars.

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

7. The audit focused on activities in 2004 and 2005. The audit activities included a review and assessment of risks and internal control systems, interviews with staff and management, analysis of applicable data and a review of the available documents and other relevant records.

8. The audit did not cover the quality of the medical expertise services, which OIOS determined should be carried out by an expert in that field. The audit rather examined whether UNHCC has put in place a mechanism for quality assurance.

#### **IV. AUDIT FINDINGS AND RECOMMENDATIONS**

##### **A. Governance**

9. The following governance structure was put in place in 1996 together with terms of reference, operating procedures, and representation from participating agencies:

- a) An Executive Committee which approved the annual report and budget;
- b) The Clinic Advisory Committee (CAC) which advised the Executive Committee on the general policy and administration, recommended the annual budget and financial statements, and considered the admission of new participants; and,
- c) The standing clinic technical sub-committee which advised on facilities, services, the minimum quantity and variety of drugs, and technical changes / improvements.

10. Whilst OIOS was pleased to note the creation of the governance structure, it was not functioning as envisaged:

- a) The Executive Committee and CAC were neither meeting on a regular basis nor in accordance with the operating procedures, which ECA explained was mainly due to scheduling difficulties;
- b) The staff attending the meetings were often of a lower grade than that envisaged in the operating procedures and did not have appropriate decision making authority;
- c) The review of meeting minutes for 2004 and 2005 meetings indicated that there were duplications of the discussions in CAC / Executive Committee; and,
- d) The standing clinic technical sub-committee was never convened.

##### **Recommendation:**

To streamline the governance structure for medical services with a view to enhancing its operational efficiency and effectiveness, ECA should discuss and agree with other participating agencies the changes necessary to ensure regular and timely meeting of Clinic Advisory Committee (CAC) and streamline operating procedure for Executive Committee with which the Executive Committee could be called upon only when needed or replaced by written approval of the heads of participating agencies for any decisions made by CAC (Rec. 01).

11. *ECA accepted the recommendation* OIOS will close the recommendation upon notification of agreed changes on the operating procedures for Clinic Advisory Committee and Executive Committee of UNHCC.

##### **B. Mandate and Mission**

(a) Review of mandate

12. UNHCC had a clear mandate to provide preventive and curative medical services to United Nations personnel and their dependents in Addis Ababa and in the opinion of UNHCC this mandate remained valid.

13. UNHCC expressed the view that its presence and the variety of services it provided ensured the convenience and availability of certain quality medical services that were not readily available locally. However, this view was not supported by any current review of the role of UNHCC in relation to other medical facilities available in the local or regional environment. There was also no mechanism to keep under review how the mandate should be applied in practice, for example as to whether UNHCC should focus on provision of high quality curative medical services that are not available in the local environment or focus on preventive health care services. UNHCC recognised that it was not in a position to justify the extent of its current service and its continued need. Although UNHCC saw the need for such a review and mechanism and had hoped to have an external evaluation, at the time of the audit, an action plan was yet to be prepared to address the issue.

**Recommendation:**

To validate the mandate of ECA United Nations Health Care Centre and to ensure the United Nations staff and their dependents in Ethiopia are provided with the appropriate level of health care that takes account medical services provided locally and in the region, ECA should, in consultation with the Medical Service Division of United Nations Headquarters conduct a baseline review of the medical services the United Nations should offer its staff in Ethiopia and establish a mechanism for reviewing the extent and level of services which should be provided (Rec. 02).

14. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of the result of a baseline review of the medical services the United Nations should offer its staff in Ethiopia.

(b) Autonomy of UNHCC

15. Whilst appreciating the decision made by the Executive Committee in August 2005 not to pursue UNHCC autonomy, OIOS was concerned that the causes of the autonomy issue had not been fully addressed. The Agreement with participating agencies did not clearly set out that UNHCC operated under United Nations Regulations and Rules, and did not clearly describe the administrative arrangements for recruitment and procurement.

**Recommendation:**

To ensure a clear understanding of the status of ECA United Nations Health Care Centre (UNHCC), ECA should specify, in the Agreement with participating agencies that UNHCC is an integral part of ECA and clarify that the managerial and operational arrangements fall under the United Nations Regulations and Rules (Rec. 03).



16. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of the revised Agreement with participating agencies.

(c) Offering medical services to the general public

17. UNHCC had been offering services to Ethiopian citizens, which accounted for approximately 13 per cent of total visits in 2004. OIOS was concerned that this went beyond the overall objective of UNHCC and could have a negative impact on services to United Nations staff. In addition, ECA had not clarified whether such a service was legal under the Host Country agreement.

18. OIOS is pleased to note that UNHCC discontinued offering services to the general public in January 2006 and therefore no recommendation is raised.

### **C. Organizational Structure**

(a) Roles and responsibilities of Chief Medical Officer (CMO) and Medical Officer

19. The respective roles and responsibilities of CMO and the Medical Officer for supervision of UNHCC staff have not been specified. While the CMO was responsible for direct supervision of around 30 staff including consultant doctors, head nurse, administration / finance officer and other para-medical functions such as laboratory and pharmacy, the job description of the Medical Officer did not mention managerial responsibility. OIOS is of the opinion that delegation of managerial responsibility to Medical Officer would enhance the overall efficiency of UNHCC management.

#### **Recommendation:**

To enhance its overall management efficiency, ECA United Nations Health Care Centre (UNHCC) should revise the job descriptions of the Chief Medical Officer (CMO) and the Medical Officer to ensure certain managerial responsibilities over the consultant doctors and other staff are delegated to the Medical Officer, which would allow the CMO to pay more attention to the preventive / promotive aspect of UNHCC operation (Rec. 04).

20. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of revised job descriptions of the Chief Medical Officer (CMO) and the Medical Officer.

(b) Coordination with other sections in Human Resources and Finance Division (HRFD)

21. OIOS was of the opinion that UNHCC needed a close working relationship with Human Resources Services Section (HRSS) and Budget and Finance Section (BFS) which all together comprise the HRFD under the leadership of its Director. However, OIOS was informed that there was no arrangement for regular divisional meeting, which resulted in loss of opportunity to discuss and clarify key administrative and managerial issues.

#### **Recommendation:**

To enhance the coordination among the three sections in Human Resources and Finance Division (HRFD), the Director of HRFD should

ensure a regular divisional meeting is held (Rec. 05).

22. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of the establishment of an arrangement for a regular divisional meeting within HRFD.

(c) Relationship with United Nations Headquarters Medical Service Division

23. In accordance with the ST/SGB/2004/8 (Organization of Office for Human Resources Management dated 7 April 2004), the Medical Services Division / Office for Human Resources Management has an overall responsibility to ensure staff worldwide access to health services. For this, its responsibilities include periodic on-site assessment of local health facilities and providing technical support to all United Nations medical facilities.

24. OIOS was informed that Medical Services Division had not conducted any on-site assessment of UNHCC facilities and there was no clear understanding as to what types of technical support UNHCC could expect from the Medical Service Division.

**Recommendation:**

To ensure ECA United Nations Health Care Centre (UNHCC) obtains appropriate support from the United Nations Medical Services Division, UNHCC should consult with the United Nations Medical Service Division to establish arrangements for regular on-site assessment of UNHCC facilities and clarify types and procedures for the provision of technical support to UNHCC (Rec. 06).

25. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of the establishment of an arrangement for a regular on-site assessment of UNHCC facilities and clarification on the provision of technical support by United Nations Medical Service Division.

**D. Planning and Monitoring**

(a) Strategic planning

26. A coordinated strategy for addressing health matters for United Nations staff in Ethiopia is important for:

- a) Ensuring that in the event of a major health incident (such as the anticipated avian flu pandemic) United Nations acts in a reasonable and responsible manner with respect to health matters;
- b) Supporting requests for related human and financial resources, and explaining the consequences of not getting adequate resources; and,
- c) Ensuring that UNHCC (and any other players for medical service) remains responsive to emerging health threats.

27. UNHCC indicated in its budget submission for 2005 its service strategy to focus on client orientation, upgrading of HIV/AIDS programme and prevention and early detection of diseases. However, OIOS was of the opinion that the above mentioned health matters needed to be incorporated into overall health strategy to cover the following key areas:

- a) What level of health risk United Nations staff face, how to make staff aware of these risks and the respective responsibilities of the United Nations and its staff for handling these risks;
- b) Assessing what types of resources and steps are required for preventing / minimizing the likelihood of a health incident;
- c) How to ensure that health measures keep pace with changes in the environment; and
- d) How to keep abreast of and ensure preparedness for an emergency (like Avian flu contingency plan).

**Recommendation:**

To ensure appropriate responsiveness to all health threats, ECA United Nations Health Care Centre should play a leadership role in developing a health strategy for ECA and other United Nations agencies in Ethiopia covering health risks awareness, planning, prevention, and treatment in Ethiopia. Steps should also be taken to ensure that the health strategy remains responsive to emerging health threats, by developing a mechanism for the collection and assessment of information on potential threats to United Nations staff and establishing an effective responses mechanism (Rec. 07).

28. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of a health strategy for ECA and other United Nations agencies in Ethiopia.

(b) Annual planning for UNHCC operations

29. UNHCC had developed an annual planning tool called the Matrix. However, OIOS noted the following, which indicated that the planning tool had not been effectively used:

- a) There was no detailed action plan for each of the key activities. For example, the Matrix included a task of visiting regional offices, which should have required a plan for detailed tasks such as establishing Terms of Reference and budgeting. Further the task of upgrading the examination room was not accompanied with the detailed action plan;
- b) There was no evidence to support that the Matrix had been revisited or updated during the year; and,
- c) The Matrix was not linked with the Performance Appraisal System.

**Recommendation:**

To ensure effective use of its current planning tool (Matrix), ECA United Nations Health Care Centre should develop a detailed plan of actions for key activities in the Matrix with effective participation of staff and management alike (Rec. 08).

30. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of actions taken to ensure a detailed plan of actions for key activities in the Matrix is prepared.

(c) Performance reporting

31. UNHCC produces an annual performance report which provides useful workload statistics on activities in a given year compared with prior years. OIOS discussed and agreed with UNHCC that there would be value in supplementing the workload statistics with performance indicators to measure such things as the quality of medical service<sup>1</sup> and the success of preventive health campaigns and to collect information to assist in developing the future shape and direction of medical services provided.

**Recommendation:**

To facilitate effective performance measurement, ECA United Nations Health Care Centre should develop a set of qualitative nature of performance indicators against which the key operational results such as quality of curative services and effectiveness of preventive or promotive activities could be monitored and evaluated (Rec. 09).

32. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of a set of qualitative nature of performance indicators.

(d) Quality assurance mechanism

33. OIOS appreciated that there was an initiative, as a part of ECA ISP (Institutional Strengthening Programme) projects, aimed at improving the quality of services at UNHCC. The draft report of that project called for a diversification of medical / professional services and pharmaceutical products; an improvement of health service and medical emergency response; an improvement in the communication with staff; and revitalization of governing bodies. The project team was finalizing the report in January 2006. OIOS welcomed the recommendations from the project, which when implemented would enhance UNHCC services.

34. The report did not address the need for the establishment of a systemic quality assurance mechanism, which OIOS believes is critical in assuring that UNHCC achieves certain quality standards for its medical services, and which should have been established as its prime performance goal. OIOS suggests the followings as key elements in the quality assurance arrangements:

- a) Policies and procedures for hiring and evaluating consultant doctors - The quality of UNHCC medical services could only be assured when consultant doctors are hired in accordance with established quality standards and regularly monitored for their performances. However, OIOS was concerned at the lack of roster of qualified doctors, any written selection criteria and procedure for reference check. Furthermore, UNHCC did not establish any systemic performance measurement criteria for consultant doctors such as accuracy of diagnosis, timeliness, attitude towards patient etc.
- b) Regular Inspection and Evaluation - UNHCC was not subject to any regular evaluation or regulatory inspection for its medical practices and facilities.

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<sup>1</sup> The elements of quality of service may include among others availability of service, functionality of medical equipment, hygiene of the UNHCC building, accuracy of diagnosis and appropriateness of prescription and client satisfaction etc

- c) Client feedback - There has not been any effective client survey since 2001. The 2001 client survey (most recent one) result was not appropriately documented and followed up. Furthermore, UNHCC did not have any mechanism to allow the patients to lodge complaints with regard to the medical services and to facilitate independent investigation of such complaints. OIOS was approached by several United Nations staff who shared their concerns on inaccurate diagnosis, inappropriate prescription and inappropriate treatment by nurses, which should have been followed up by UNHCC.

**Recommendation:**

To ensure quality of medical services, ECA United Nations Health Care Centre should seek guidance from United Nations Medical Service Division in developing a quality assurance mechanism, which should include establishment of selection and evaluation criteria for consultant doctors, establishment of a continuous client feedback mechanism and arrangement for regular external inspection and evaluation (Rec. 10).

35. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of an establishment of quality assurance mechanism.

**E. Human Resources Management**

- (a) Criteria for staffing needs assessment

36. Whilst changes in the staffing of UNHCC were subject to the approval of its governing bodies as a part of the budgeting process, OIOS noted that there were no criteria explaining the rationale for the current staffing levels of five Professional and 27 General Service, supplemented by approximately 23 part-time consultant physicians.

**Recommendation:**

To ensure right level and type of staff to operate, ECA United Nations Health Care Centre should, in consultation with United Nations Medical Services Division establish criteria for reviewing and determining staffing needs (Rec. 11).

37. *ECA indicated that it had accepted the recommendation.* OIOS will close the recommendation upon receipt of the criteria for reviewing and determining staffing needs.

- (b) Recruitment of Chief Medical Officer (CMO) and Medical Officer

38. ECA is currently undergoing its third recruitment exercise for the CMO post since 2001, and was hopeful this latest attempt would be successful. The reason for the past failures was the inability to attract well qualified candidates. While ECA could not demonstrate what attempts had been to re-examine the level and grade of the post to ensure that a suitably qualified candidate could be attracted, ECA explained that this latest attempt attracted rather well qualified candidates and interviews were arranged in January and February 2006. However, OIOS was concerned that no attempts had been made to fill the Medical Officer post whilst the incumbent was the OIC. This failure is especially serious given that the incumbent retires in April 2006 and the outcome of recruitment process for CMO is not yet certain.

**Recommendation:**

To ensure the post of ECA Chief Medical Officer (CMO) and Medical Officer are filled as quickly as possible, ECA should expedite current recruitment exercise for CMO post and initiate the recruitment process for the Medical Officer without further delay. Further, ECA, in consultation with the United Nations Medical Services Division, should develop an arrangement for getting Human resources support when the leadership gap arises (Rec. 12).

39. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of the results from the recruitment process and an arrangement for getting Human resources support by United Nations Medical Services Division.

(c) Classification of posts

40. A review of the classifications of the UNHCC posts revealed the following:

- a) In May 2004, HRSS reclassified the post of Administration / Finance Officer from GS-7 to L-1. However, in accordance with ST/AI/297 (Technical Co-operation Personnel and OPAS officers) dated 19 November 1982, L post - Technical co-operation personnel shall not be assigned to any established office to carry out the substantive programmes or to perform the support or service functions which are the direct responsibility of the Secretary-General.
- b) There was inconsistency in classification of the nurse and driver posts. While other nurses were classified at G-6 level, the night duty nurse was classified G-5. Furthermore, the night duty driver was classified at lower level than daytime driver. The night duty nurse and the night duty driver are expected to perform identical functions as other nurses or driver and there was no rationale for the different classification.

**Recommendation:**

To ensure appropriate classifications, ECA should refer the classification of Administration / Finance Officer to Office for Human Resources Management. Further, ECA should re-examine the classification of night duty nurse and night duty driver to make them consistent with other staff performing the same duties (Rec. 13).

41. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of the results on the review of the classification for Administration / Finance Officer, night duty nurse and night duty driver.

(d) Code of Conduct

42. OIOS appreciated that UNHCC developed in 2005 a “UNHCC Guiding Principles” listing 14 specific behavioural guidelines for upholding highest standard of client service and team building. Those were printed in a leaflet and provided to each of its staff.

(e) Shift work policy

43. In order to provide 24 / 7 services, UNHCC hires two nurses for weekend duty on SSA, one night duty nurse and one night duty driver in addition to the duty consultant physicians. While appreciating that UNHCC had been considering a shift work policy for the night duty nurse, OIOS was concerned that UNHCC did not have clear implementation plan which takes into account the cost implication.

**Recommendation:**

To ensure establishment of an appropriate shift work policy, ECA United Nations Health Care Centre should carry out a cost and benefit analysis of its proposed shift work policy for weekend and night duties (Rec. 14).

44. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of the result of a cost and benefit analysis of its proposed shift work policy.

(f) PAS

45. UNHCC acknowledged that PAS had not been implemented in compliance with the ST/AI/2002/3 (Performance Appraisal System, dated 20 March 2002) including the one for OIC, UNHCC.

**Recommendation:**

To ensure compliance with the ST/AI/2002/3 on Performance Appraisal System (PAS), ECA should issue a guideline specifying the timetable for completion of PAS and detailing the consequences of failure (Rec. 15).

46. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of a guideline on effective implementation of PAS.

**F. Provision of Services**

(a) Administration of medical evacuation

47. UNHCC provides recommendations on medical evacuations for approval by HRSS in accordance with the ST/AI/2000/10 (Medical evacuation, dated 21 September 2000). There were 21 cases in 2004 and 22 cases in 2005 for ECA staff. UNHCC also makes recommendations to other agencies for their final decision. No cases were reported to have been more than 45 days of evacuation.

48. OIOS noted the following, which suggested the need for improvement in the administration of medical evacuation:

**Compliance with regulations**

49. Most of the medical evacuations were to South Africa while the regional medical centre for Ethiopia includes also Egypt and Kenya according to ST/IC/2000/70 (Medical evacuation, dated 21 September 2000). The OIC, UNHCC explained that South Africa was

preferred due to well known high quality medical facilities there, which OIOS did not consider sufficient without any documentation to evaluate the medical facilities in other countries and analyze the cost implications. Furthermore, UNHCC was not sending the MS.39 form and quarterly statistics on medical evacuation (including final and complete cost related to the medical evacuation) to United Nations Medical Director as required in Section 10 of ST/AI/2000/10. The OIC, UNHCC explained that such information had never been requested.

**Recommendation:**

To ensure better compliance with ST/AI/2000/10 and ST/IC/2000/70 on medical evacuation, ECA United Nations Health Care Centre, in consultation with United Nations Medical Services Division, should develop detailed criteria on selection of place of evacuation and clarify the reporting requirements (Rec. 16).

50. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of detailed criteria on selection of place of medical evacuation and clarification of the reporting requirements to United Nations Medical Services Division.

Decision making process

51. The medical board<sup>2</sup>, which determined the medical evacuation operated without clear terms of reference defining the eligible members, decision making process, need for written records on the meeting proceedings for all cases considered whether approved or rejected. Further, there was no checklist, or equivalent documentation, to support that the medical evacuations were being considered in compliance with ST/AI/2000/10 and ST/IC/2000/70.

**Recommendation:**

To support a more transparent and efficient medical evacuation decision process, ECA United Nations Health Care Centre should develop terms of reference for the medical board and clarify its operating procedures, including the use of a checklist when considering eligibility (Rec. 17).

52. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of terms of reference for the medical board clarifying its operating procedures.

(b) Administration of Medical Insurance Plan (MIP) claims

53. UNHCC processed MIP claims totalling approximately US\$ 580,000 in 2004 - 2005. OIOS reviewed reimbursement vouchers totalling approximately US\$ 8,000, and did not find any problems in terms of accuracy of processing in accordance with the ST/AI/343 (Medical Insurance Plan for Locally Recruited Staff at Designated Duty Stations Away from Headquarters). However, OIOS noted the following:

Delay in processing of hardship cases

54. At the time of the audit, 16 hardship cases<sup>3</sup> were unsettled totalling approximately

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<sup>2</sup> The medical board is comprised of CMO, treating physician and another physician as appropriate.

<sup>3</sup> MIP provides reimbursement of most medical expenses up to a defined annual limit. However, in the event of a major illness, it could occur that a staff is faced with expenses that are so significantly over and above the



US\$ 125,000, most of which have been pending for some years. OIOS also noted long delays in the processing of completed hardship cases, which OIOS considered unacceptable, given the nature of the claim.

55. OIOS identified two major causes:

- a) Timeliness of submission, which was not always within UNHCC control. For example, no hardship cases were submitted for 2005 evacuations, as it did not receive the related reports and expenditure details from UNDP South Africa which provided administrative services related to the treatment of the evacuees. For the 16 pending cases, OIOS noted that the hardship requests had been submitted by UNHCC usually more than a year after the evacuation;
- b) There was no clear timeframe for the processing of hardship cases by the Insurance Section of United Nations Headquarters. As a result, OIOS noted that there was a case pending since 1997.

**Recommendation:**

To improve the timeliness of the processing for hardship cases of Medical Insurance Claims, ECA should approach United Nations Headquarters Insurance section to expedite pending cases and agree with the timetable for submission and processing of hardship cases in the future. Furthermore, ECA should further explore ways to ensure timely submission of related documentation from UNDP (Rec. 18).

56. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of an arrangement with United Nations Headquarters Insurance section on the processing of hardship cases.

*Need for a database on MIP claims*

57. UNHCC was not maintaining a database on the history of MIP claims. UNHCC explained that it did not need such a system as the cases of staff exceeding the MIP ceiling were rare and it had full knowledge of such cases. In the opinion of OIOS, a system is required not only to monitor the MIP claims ceilings, but also to be able to provide staff with MIP claim status. OIOS understands that UNON's Joint Medical Service operates an electronic MIP system, which not only controls the MIP claims, but also facilitates interaction with IMIS for more efficient accounting.

**Recommendation:**

To improve efficiency in processing of ECA Medical Insurance Plan (MIP) claims and monitoring of individual claims ceilings, ECA United Nations Health Care Centre should consult UNON's Joint Medical Service (JMS) and review the applicability of JMS's MIP system (Rec. 19).

58. *ECA accepted the recommendation and that it had initiated contact with UNON.* OIOS will close the recommendation upon receipt of the review result on the applicability of

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normal limit under the plan, that they would cause undue financial hardship to the staff. In accordance with the MIP rules section 4.8, the plan may reimburse under such very exceptional circumstances (where demonstrated hardship is involved) amounts in excess of the regular limit.

UNON JMS's MIP system.

(c) Security of and access to medical files and records

59. Given the confidential nature of the information handled by UNHCC, OIOS was concerned at the absence of policy and procedures dealing with handling of, and access to, manual and magnetic medical data. In addition, staff were not required to sign any document promising not to discuss or disclose information handled. As a result, OIOS noted that the medical files were kept in a non-secure area (although in the designated area) and all MIP related information is inappropriately sent to BFS. Furthermore, OIOS was concerned, as there was not sufficient protection against the loss of records due to fire or any other disasters.

**Recommendation:**

To enhance the confidentiality and security of medical information and records, ECA United Nations Health Care Centre should develop policy and procedures covering the handling of and access to manual and magnetic medical data. This should include, type of medical information and records to be protected, access rights, requiring staff to sign a non-disclosure form, and guidelines on storage and protection (Rec. 20).

60. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of policy and procedures covering the handling of, and access to, manual and magnetic medical data.

(d) Accreditation of Hospitals

61. ECA has contracts with six hospitals (accredited hospitals, including three hospitals contracted in November 2005) in Ethiopia for the provision of medical services on credit basis upon referral from UNHCC. In 2004, approximately 300 referrals were made. UNHCC explained that it performs surveys of the hospitals facilities before requesting the contract to be approved by Conference and General Service Division (CGSD).

62. OIOS appreciated that such accreditation arrangements might be useful in supplementing any gap in medical service capacity of UNHCC and provide United Nations staff with wider availability of medical facilities. However, UNHCC did not formally establish the criteria for accreditation to support the adequacy of its procedures and identify needs for improvement to be eligible. Furthermore, UNHCC did not have policy on how and to which hospitals the referrals should be made. OIOS was further concerned that UNHCC did not have arrangements for regular monitoring of the performances of those accredited hospitals in accordance with the contract. As a result, UNHCC could not demonstrate the effectiveness of this arrangement.

**Recommendation:**

To enhance effectiveness of hospital accreditation arrangement, ECA United Nations Health Care Centre should develop a formal policy on accreditation, defining the criteria and procedures for accreditation and arrangement for regular monitoring (Rec. 21).

63. *ECA accepted the recommendation.* OIOS will close the recommendation upon

receipt of a formal policy on accreditation of hospitals.

### **G. Financial Management**

(a) Certifying authority for UNHCC fund

64. The certifying authority for UNHCC funds lies with the Chief of Trust Fund and Project Management Unit (TFPMU) / ECA. OIOS is of the opinion that the certifying function should be carried out by staff in UNHCC who have the knowledge needed to ensure expenditures are for the budgeted purpose when exercising the certifying authority. It would also be in line with ECA practice that each division has its own certifying officer.

**Recommendation:**

To strengthen the accountability for the use of funds, ECA should transfer the certifying authority for United Nation Health Care Centre (UNHCC) from the Chief of Trust Fund and Project Management Unit to appropriate staff in UNHCC (Rec. 22).

65. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of the transfer of the certifying authority to the appropriate staff in UNHCC.

(b) Source of fund

66. UNHCC could not demonstrate the appropriateness of the existing funding structure for UNHCC indicated in the table below, where the cost recovery from insurance and staff accounts for approximately 24 per cent:

**Table 1. UNHCC- Financial resources 2004 and 2005 (in US\$)**

<b>Source of Fund</b>	<b>Actual 2004</b>	<b>Budget for 2005</b>
Contribution –Core service	465,500	481,600
Contribution – Non core service	468,930	498,638
Insurance and staff reimbursement	155,985	158,000
Income from service including the charges to other agencies	217,405	225,000
Others <sup>4</sup>	62,042	437,070
<b>Total</b>	<b>1,369,862</b>	<b>1,800,308</b>

**Recommendation:**

To ensure an appropriate arrangement for cost recovery of ECA United Nations Health Care Centre (UNHCC) activities, UNHCC, in assistance with the Budget and Finance Section, should carry out an analysis of expenditures and establish the amount of recoverable expenditures and appropriate service charges commensurate with the recoverable cost, with special attention paid to amounts recoverable from insurance companies (Rec. 23).

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<sup>4</sup> Includes use of fund surplus

67. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of expenditure analysis results and revised service charges commensurate with the recoverable cost.

(c) Calculation of contributions from participating agencies

68. The contributions are in two categories: core contribution to cover mandatory medical examination at fixed rate of US\$ 350 per person; and non-core contribution to cover any other shortfall of UNHCC budget. The yearly contributions from the agencies are determined based solely on the number of staff and dependants on 31 October of the previous year.

69. OIOS is of the opinion that current practice does not ensure fair treatment among all the agencies when the actual utilization of the UNHCC service might be different from the number of staff and dependants. For example, OIOS compared each agency's proportion of 2004 contributions against estimated proportion based on actual number of visits in 2004, which showed substantive variance for certain agencies as shown in the table in Annex 1. Furthermore, OIOS was informed that there are certain agencies that use UNHCC without paying the contributions.

70. OIOS appreciated that not all UNHCC expenditures could be allocated based on actual usage in particular for the preventive and promotive activities, which could be still allocated based on number of staff. In this regard, OIOS would like to draw attention to the practice in UNON, which charges the cost of its Joint Medical Service based on either number of staff or actual number of visits depending on the category of services.

**Recommendation:**

To ensure more equitable cost recovery arrangements, ECA United Nations Health Care Centre (UNHCC) should review its existing arrangements and establish multiple allocation criteria commensurate with the nature of UNHCC activities and related expenditures, which should include the actual number of visits for curative services. This review should include consideration of the arrangements in place in UNON (Rec. 24).

71. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of revised cost sharing arrangement among participating agencies.

(d) Reimbursement of administrative cost incurred by ECA

72. ECA has been charging 13 percent for UNHCC expenditures and recorded it as programme support cost. In 2004, the charge amounted to approximately US\$150,000. OIOS understood that the charge was to cover ECA administrative support to UNHCC.

73. ECA explained that 13 per cent was used as it was the normal programme support cost charge for a trust fund, which was easily understood and accepted by participating agencies. As such, there has not been any subsequent review by ECA whether the 13 per cent was and continues to be appropriate in conjunction with the actual cost ECA might have incurred. In particular, OIOS does not believe that the expenditures related to the ECA Regular Budget

posts are subject to an administrative charge from ECA<sup>5</sup>.

**Recommendation:**

To ensure appropriate recovery of ECA costs incurred in administering the United Nations Health Care Centre (UNHCC), ECA should carry out an analysis on costs involved in the administrative support to UNHCC and decide whether there is a need for a change in the current charging arrangement (Rec. 25).

74. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of the analysis of UNHCC administrative cost incurred by ECA and subsequent decision on charging arrangement.

**H. Procurement and Control of Pharmaceutical drugs**

(a) Selection of approved vendors

75. In 2005, UNHCC incurred approximately US\$ 280,000 for the procurement of pharmaceutical drugs and laboratory agents from various vendors both local and abroad. As an effort to streamline the range of vendors that supply drugs and medical equipment, the Procurement Section of ECA, in cooperation with UNHCC, carried out an exercise to identify pre-approved vendors. In this regard, a Request for Proposal (RFP) was sent to 12 vendors in December 2004, out of which five responded. In view of the fact that each one of the five respondents quoted for different types of medicines and medical supplies, no comparative financial analysis was carried out. Instead, all five vendors were included in the list of approved vendors, which OIOS considered justifiable.

76. OIOS was, however, concerned that vendors who did not respond to the RFP were also included in the list of approved vendors. In particular, a company which supplied approximately US\$ 50,000 worth of medicine in 2005 was included as a provider of general medicine based on the justification that it can and has been supplying a range of medicines that none of the proposed approved vendors would be able to supply. OIOS did not consider the justification sufficient as it was not supported by evidence that rigorous efforts were made for identifying possible suppliers.

**Recommendation:**

To ensure that procurement of pharmaceutical drugs and medical supplies is carried out in compliance with United Nations procurement rules, ECA should ensure that procurement is only made from suppliers on the approved list and that adequate arrangements are put in place for the identification of suppliers for the list, which are in accordance with the United Nations Procurement Manual (Rec. 26).

77. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of the arrangements for the identification of suppliers of pharmaceutical drugs and supplies in accordance with the United Nations Procurement Manual.

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<sup>5</sup> In 2004, the charge against expenditures related to the ECA RB posts amounted to some US\$ 49,000. ECA has agreed that the ECA RB contribution in the form of payroll cost of five posts should not be subject to charges and agreed not to apply it from 2005 accounts.

(b) Respective roles and responsibilities between UNHCC and ECA procurement section

78. OIOS was concerned that the Pharmacy of UNHCC performs certain procurement actions such as contacting the supplier and obtaining pro forma invoices without going through the Procurement Section for bidding or quotation. This is a direct violation of United Nations Procurement Manual Section 8.2.4 providing that “Conducting market surveys is within the scope of the procurement functions and market surveys should be conducted only by United Nations / PD (Procurement Division) or the CPO’s (Chief Procurement Officer).” UNHCC explained that the Procurement Section lacks technical knowledge to properly carry out market survey for pharmaceutical supplies such as identification of potential supplies and evaluation of the prices, which made the Procurement Section rely on the advice from the UNHCC Pharmacy.

79. OIOS was informed that in 2005 a GS-6 post was created from the Programme Support cost account to strengthen the capacity within the Procurement Section for the procurement of UNHCC. The post was yet to be filled. OIOS agrees that a dedicated procurement officer with relevant knowledge on the medicine and medical supplies would help ensure compliance with rules and regulations related to procurement. This would also further enhance the efficiency of the Pharmacy, when it is relieved of certain administrative burdens and focuses more on the core tasks.

**Recommendation:**

To ensure appropriate segregation of duties and also enhance the necessary expertise on pharmaceutical drugs within the Procurement section, ECA should fill the G-6 Procurement Assistant post with a person with sufficient knowledge on pharmaceutical drugs and medical supplies (Rec. 27).

80. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of the filling of the G-6 procurement assistant post.

(c) Inventory control system

81. There is an immediate need to replace the current manual inventory control system for approximately 300 items of pharmaceutical drugs and medical supplies. The manual inventory control is prone to errors and negatively affects the overall efficiency of the operation of the Pharmacy, which has had to spend a substantial amount of time updating and verifying the manual records. OIOS further noted the following consequences, UNHCC:

- a) Could not produce an up-to-date inventory list in an efficient and accurate manner;
- b) Could not easily identify items with short expiry date;
- c) Could not easily produce necessary statistics on the usage of medicines for procurement planning and stock management;
- d) Has to manually calculate a new price for medicine whenever there is a purchase and input into the UNHCC billing system; and
- e) Records the issuance of medicine into the UNHCC billing system, while the same records then need to be manually entered onto the stock card.

82. UNHCC informed OIOS that it recognised the need for an electronic system covering

the procurement planning, billing and stock control and had forwarded a proposal to be included in 2006 budget. However, a specific timetable was yet to be established for the development.

**Recommendation:**

To enhance the accuracy and efficiency in the control of pharmaceutical drugs, ECA United Nations Health Care Centre should develop an electronic inventory control system as a matter of priority (Rec. 28).

83. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of the development of an electronic inventory control system.

**I. Management of Medical Equipment**

(a) Inventory

84. In accordance with the list provided from CGSD, UNHCC has medical equipment worth approximately US\$ 1 million as at the audit date. OIOS conducted a physical inventory and found no problems.

(b) Maintenance and replacement of medical equipment

85. UNHCC initiated a contract process in 2004 for equipment maintenance (preventive and repair). UNHCC was unhappy with the service provided by its existing three vendors and sought to have a contract with just one vendor. A vendor was identified, who began providing services in 2005, though only a draft contract existed, and no preventive maintenance had been carried out as outlined in the contract.

86. Whilst OIOS supports the ECA decision to seek preventive maintenance and repair arrangement, OIOS is more concerned that much of the equipment was over five years old and no analysis had been carried out to determine the need for replacement or upgrade. UNHCC maintained no data to assess the extent of functionality and effectiveness of medical equipment and did not have any long-term plan for replacement or upgrading its medical equipment. OIOS was concerned that certain key medical equipment required replacement because of its age. For example, the X-ray machine was purchased in 1985 (US\$ 220,000) and an optical instrument set was purchased in 1992 (US\$ 73,000). Furthermore, one piece of equipment, Orthoradial Planigraphy Unit Orthopant tomography X-Ray Unit, procured in 1992 at the cost of US\$ 32,000, was reported not to be working since March 2005.

**Recommendations:**

To ensure an appropriate level of functionality and to ensure appropriate arrangements for maintenance and repair of medical equipment, ECA United Nations Health Care Centre should:

Formally enter into a contract with the newly identified vendor for maintenance service and verify and update the equipment registration / inventory form that has been prepared by the vendor through reconciling it with the list of medical equipment list maintained by the Conference and

General Service Division. This should result in identification of any obsolete and unusable items, which should be disposed of in accordance with relevant UN regulations and Rules (Rec. 29).

Develop a policy and a plan for replacement of medical equipment, which should include the nature and type of repair and maintenance contracts required and ensure that charges for UNHCC services have an element for depreciation of equipment sufficient to enable replacement at end of useful life (Rec. 30).

87. *ECA accepted the recommendations.* OIOS will close the recommendations upon receipt of formal contract for maintenance service (Rec. 29) and a policy and a plan for replacement of medical equipment (Rec.30)

(c) Rationale for purchase of medical equipment

88. OIOS was concerned at the absence of clear criteria and guidelines, such as cost / benefit analysis, for justifying the purchase of medical equipment. For example, UNHCC procured an ambulance in February 2005 at a cost of approximately US\$ 60,000. UNHCC could not provide any documentation supporting the decision to purchase, such as number of emergency cases, or whether response time of local ambulances was inadequate. The justification that the ambulance is needed to cater for life-threatening situations is not sufficient without an analysis demonstrating that the ECA ambulance was the best solution to address the issue.

**Recommendation:**

To ensure that purchase of high value medical equipment is supported by a proper justification, ECA United Nations Health Care Centre should establish a guideline detailing the criteria, such as cost / benefit analysis, for justifying purchase of equipment costing more than an established threshold amount (Rec. 31).

89. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of a guideline for purchase of equipment costing more than the established threshold amount.

(d) Monitoring the utilization of equipment

90. OIOS noted UNHCC did not establish a monitoring arrangement for the extent of the utilization for its medical equipments including ambulance, ultrasound machine and mammography (which cost approximately US\$ 160,000 in 2005). Monitoring against established performance benchmarks (which should have been established when considering the purchase) would help verify whether sufficient value for money is being derived from the medical equipment and would also help identify opportunity for more efficient use of the equipment.

**Recommendation:**

To ensure more efficient use of medical equipment, ECA United Nations Health Care Centre should establish performance benchmarks for its key medical equipment against which the utilization should be



monitored (Rec. 32).

91. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of performance benchmarks for its key medical equipment.

#### **J. Information Technology (IT)**

(a) Service level agreement with Information Services Section (ISS)

92. UNHCC operation relies on a Lotus Notes based application, which provides key functions such as patient and doctor registration, appointment management and medical expenses billing. As the application was developed in-house, support from ISS in terms of maintenance, training and help desk is essential. ISS denied such support to UNHCC during 2005 due a lack of clarity whether ISS services were covered under the 13 percent that UNHCC was paying for the administrative support. Whilst the situation was resolved in December 2005, with the decision to allow ISS to create a post from the 13 percent charge, OIOS is of the opinion a formal agreement should exist between ISS and UNHCC defining the level and type of services required. This would clearly identify whether the creation of a full time post is required.

#### **Recommendation:**

To clarify the nature and level of Information Technology services and its funding arrangement, ECA should develop a formal agreement between ECA United Nations Health Care Centre and Information Services Section defining services to be required and how they will be financed (Rec. 33).

93. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of a formal agreement with Information Services Section defining IT services to be required and how they will be financed.

(b) Need for enhancement of current medical systems

94. UNHCC had identified a need to upgrade and enhance current systems, but had been unable to obtain support to undertake a full analysis of IT requirements and produce appropriate documentation to support the requirements, including a costed work plan.

#### **Recommendation:**

To enhance the efficiency of its operations, ECA United Nations Health Care Centre should request assistance from Information Systems Service in undertaking an analysis of information technology requirements and the production of documentation to support the requirement, including a business case and costed work plan (Rec. 34).

95. *ECA accepted the recommendation.* OIOS will close the recommendation upon receipt of documentation to support the IT requirement, including a business case and costed work plan.

(c) UNHCC Intranet site

96. At the time of audit, UNHCC had inadequate support for its intranet site. Some of the content was outdated and unreadable, reducing the effectiveness of the site as a tool for communicating and promoting UNHCC activities.

**Recommendation:**

To enhance effective communication and promotion of its activities, ECA United Nations Health Care Centre should designate a person within UNHCC with responsibility for maintenance and upkeep of the Intranet site including logging number of accesses, and seeking staff feedback (Rec. 35).

97. *ECA accepted the recommendation.* OIOS will close the recommendation upon notification of the name of the designated person responsible for maintenance and upkeep of the Intranet site.

**V. FURTHER ACTIONS REQUIRED ON RECOMMENDATIONS**

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

Recommendation No.	Action Required
Rec. 01	Notification of agreed changes on the operating procedures for Clinic Advisory Committee and Executive Committee of UNHCC
Rec. 02	Receipt of the result of a baseline review of the medical services the United Nations should offer its staff in Ethiopia
Rec. 03	Receipt of the revised Agreement with participating agencies
Rec. 04	Receipt of revised job descriptions of the Chief Medical Officer (CMO) and the Medical Officer
Rec. 05	Notification of the establishment of an arrangement for a regular divisional meeting within HRFD
Rec. 06	Notification of the establishment of an arrangement for a regular on-site assessment of UNHCC facilities and clarification on the provision of technical support by United Nations Medical Service Division
Rec. 07	Receipt of a health strategy for ECA and other United Nations agencies in Ethiopia
Rec. 08	Notification of actions taken to ensure a detailed plan of actions for key activities in the Matrix is prepared
Rec. 09	Notification of a set of qualitative nature of performance indicators
Rec. 10	Notification of an establishment of quality assurance mechanism
Rec. 11	Receipt of the criteria for reviewing and determining staffing needs
Rec. 12	Notification of the results from the recruitment process and an arrangement for getting Human resources support by United

	Nations Medical Services Division
Rec. 13	Receipt of the results on the review of the classification for Administration / Finance Officer, night duty nurse and night duty driver
Rec. 14	Receipt of the result of a cost and benefit analysis of its proposed shift work policy
Rec. 15	Receipt of a guideline on effective implementation of PAS
Rec. 16	Receipt of detailed criteria on selection of place of medical evacuation and clarification of the reporting requirements to United Nations Medical Services Division
Rec. 17	Receipt of terms of reference for the medical board clarifying its operating procedures
Rec. 18	Notification of an arrangement with United Nations Headquarters Insurance section on the processing of hardship cases
Rec. 19	Receipt of the review result on the applicability of UNON JMS's MIP system
Rec. 20	Receipt of policy and procedures covering the handling of, and access to, manual and magnetic medical data
Rec. 21	Receipt of a formal policy on accreditation in hospitals
Rec. 22	Notification of the transfer of the certifying authority to the appropriate staff in UNHCC
Rec. 23	Receipt of expenditure analysis results and revised service charges commensurate with the recoverable cost
Rec. 24	Notification of revised cost sharing arrangement among participating agencies
Rec. 25	Receipt of the analysis of UNHCC administrative cost incurred by ECA and subsequent decision on charging arrangement
Rec. 26	Notification of the arrangements for the identification of suppliers of pharmaceutical drugs and supplies in accordance with the United Nations procurement manual
Rec. 27	Notification of filling of G-6 procurement assistant post
Rec. 28	Notification of the development of an electronic inventory control system
Rec. 29	Receipt of formal contract for maintenance service
Rec. 30	Receipt of a policy and a plan for replacement of medical equipment
Rec. 31	Receipt of a guideline for purchase of equipment costing more than established threshold amount
Rec. 32	Receipt of performance benchmarks for its key medical equipment
Rec. 33	Receipt of a formal agreement with Information Services Section defining IT services to be required and how they will be financed
Rec. 34	Receipt of documentation to support the IT requirement, including a business case and costed work plan
Rec. 35	Notification of the name of the designated person responsible for maintenance and upkeep of the Intranet site

## VI. ACKNOWLEDGEMENT

99. I wish to express my appreciation for the assistance and cooperation extended to the auditor by the management and staff of ECA.

Corazon Chavez, Officer In Charge  
Internal Audit Division II  
Office of Internal Oversight Services

## Annex 1

### Comparison of contribution ratio in 2004 - Number of staff vs. Number of actual visits

	2004 Contribution			2004 visits					
<u>Agency</u>	<u>Core</u>	<u>Non-core</u>	<u>2004 Actual Contribution</u>	<u>Proportion</u>	<u>Actual visits</u>	<u>Proportion</u>	<u>Estimated Contribution</u>	<u>Difference</u>	<u>Variance</u>
ECA	227,150.00	222,917.50	450,067.50	46.25%	8948	55.42%	515,985.45	<b>65,917.95</b>	14.54%
FAO	11,200.00	11,732.50	22,932.50	2.20%	218	1.35%	12,570.95	<b>-10,361.55</b>	-47.96%
ILO	10,500.00	10,127.00	20,627.00	2.54%	510	3.16%	29,409.09	<b>8,782.09</b>	35.29%
ITU	2,450.00	4,569.50	7,019.50	0.51%	55	0.34%	3,171.57	<b>-3,847.93</b>	-77.32%
UNDP	43,750.00	40,261.00	84,011.00	11.21%	1362	8.44%	78,539.58	<b>-5,471.42</b>	-4.98%
UNESCO*	1,400.00	2,223.00	3,623.00	0.58%	92	0.57%	5,305.17	<b>-4,040.83</b>	-36.72%
UNESCO – IICBA*	3,500.00	2,223.00	5,723.00	0.54%					
UNFPA*	3,850.00	3,952.00	7,802.00	0.73%	385	2.38%	22,200.98	<b>-2,110.52</b>	-8.02%
UNFPA/CST*	7,000.00	9,509.50	16,509.50	1.95%					
UNHCR	41,650.00	49,894.00	91,544.00	8.65%	1163	7.20%	67,064.27	<b>-24,479.73</b>	-28.88%
UNICEF	34,300.00	40,384.50	74,684.50	8.68%	1084	6.71%	62,508.74	<b>-12,175.76</b>	-14.31%
UNIDO	700.00	864.50	1,564.50	0.23%	76	0.47%	4,382.53	<b>2,818.03</b>	122.49%
UNSSCA	2,450.00	864.50	3,314.50	0.39%	59	0.37%	3,402.23	<b>87.73</b>	2.31%
WFP	24,500.00	31,122.00	55,622.00	5.89%	804	4.98%	46,362.57	<b>-9,259.43</b>	-16.04%
WHO/AU/ECA*	2,100.00	1,976.00	4,076.00	0.37%	888	5.50%	51,206.42	<b>398.92</b>	0.68%
WHO/REP*	30,800.00	15,931.50	46,731.50	5.58%					
WORLD BANK	15,750.00	19,513.00	35,263.00	3.68%	503	3.12%	29,005.44	<b>-6,257.56</b>	-17.33%
Total	463,050.00	468,065.00	931,115.00	100.00%	16147	100.00%	931,115.00	<b>0.00</b>	0.00%

Note: UNESCO, UNFPA and WHO – the statistics on actual visits were combined for two entities while the billing was made separately.