

Office of Internal Oversight Services

## INTERNAL AUDIT DIVISION

# AUDIT REPORT

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## Financial management in ECA

ECA generally complied with the United Nations  
Financial Regulations and Rules

15 October 2010

Assignment No. AN2010/710/02

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United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

OFFICE OF INTERNAL OVERSIGHT SERVICES · BUREAU DES SERVICES DE CONTRÔLE INTERNE  
INTERNAL AUDIT DIVISION · DIVISION DE L'AUDIT INTERNE

TO: Mr. Abdoulie Janneh, Executive Secretary  
A: Economic Commission for Africa

DATE: 15 October 2010

REFERENCE: IAD: 10- **00873**

FROM: Fatoumata Ndiaye, Director  
DE: Internal Audit Division, OIOS

*Fatou*

SUBJECT: **Assignment No. AN2010/710/02 – Audit of financial management in ECA**  
OBJET:

1. I am pleased to present the report on the above-mentioned audit.
2. Based on your comments, we are pleased to inform you that we will close recommendation 6 in the OIOS recommendations database as indicated in Annex 1. In order for us to close the remaining recommendations, we request that you provide us with the additional information as discussed in the text of the report and also summarized in Annex 1.
3. Please note that OIOS will report on the progress made to implement its recommendations in its annual report to the General Assembly and semi-annual report to the Secretary-General.

cc: Ms. Doreen Bongoy-Mawalla, Director, Division of Administration, ECA  
Mr. Saviour Kuzhinapurathu, Chief, Finance Section, ECA  
Mr. Swatantra Goolsarran, Executive Secretary, UN Board of Auditors  
Ms. Susanne Frueh, Executive Secretary, Joint Inspection Unit  
Mr. Moses Bamuwamye, Chief, Oversight Support Unit, Department of Management  
Mr. Byung-Kun Min, Special Assistant to the USG-OIOS

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## INTERNAL AUDIT DIVISION

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### FUNCTION

*“The Office shall, in accordance with the relevant provisions of the Financial Regulations and Rules of the United Nations examine, review and appraise the use of financial resources of the United Nations in order to guarantee the implementation of programmes and legislative mandates, ascertain compliance of programme managers with the financial and administrative regulations and rules, as well as with the approved recommendations of external oversight bodies, undertake management audits, reviews and surveys to improve the structure of the Organization and its responsiveness to the requirements of programmes and legislative mandates, and monitor the effectiveness of the systems of internal control of the Organization” (General Assembly Resolution 48/218 B).*

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## EXECUTIVE SUMMARY

### Audit of financial management in the Economic Commission for Africa

The Office of Internal Oversight Services (OIOS) conducted an audit of financial management in the Economic Commission for Africa (ECA). The overall objective of the audit was to assess the adequacy and effectiveness of internal controls in the area of financial management. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

Overall, financial management in ECA was being carried out in compliance with the United Nations Financial Regulations and Rules (UNFRRs). However, there were opportunities for strengthening certain controls, as follows.

- ECA held significant balances in its bank accounts. Since these funds do not yield any income, ECA needs to improve its cash flow forecasting based on historical information so that balances in these accounts are minimized to the extent feasible.
- As of 28 May 2010, accounts receivable in the amount of \$1,023,635 were more than two years old. ECA needs to strengthen monitoring of accounts receivable and clear them in a timely manner.
- There were instances where certain outstanding obligations did not conform to the provisions of Financial Rule 105.9, which requires that obligations be based on a formal agreement or purchase order. ECA needs to regularly review unliquidated obligations to ensure that only valid obligations are retained at the year-end.
- ECA had been crediting rental income to operating expenses, instead of miscellaneous income as required by Financial Rule 103.7. OIOS was informed that the Secretariat was in the process of standardizing and harmonizing the cost recovery practices.

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## I. INTRODUCTION

1. The Office of Internal Oversight Services (OIOS) conducted an audit of financial management in the Economic Commission for Africa, (ECA). The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.
  2. OIOS conducted this audit as financial management is inherently a high risk area exposing the Organization's resources to possible waste, abuse or loss.
  3. The basic function of ECA's Finance Section is to provide financial services in an efficient, effective and transparent manner and in accordance with the United Nations Financial Regulations and Rules. The Section consists of five units: Accounts, Payroll and Disbursement, Trust Fund, Electronic Data Processing (EDP) and Cashier. The Accounts Unit is responsible for maintaining accounts in the Integrated Management Information System (IMIS), reconciling bank accounts, managing accounts receivable and accounts payable, billing and preparing financial statements amongst other services. The Unit is also responsible for providing responses to the Board of Auditors and to OIOS on audit matters. The Payroll and Disbursement Unit is responsible for the payment of salaries and other benefits to staff members. Payroll is processed in IMIS relying primarily on data fed into the system by the Human Resources Support Section (HRSS). The disbursement part of the Unit is responsible for the: (a) processing of advances and vendor invoices; (b) settlement of claims concerning travel, education grant, individual contractors and UN organizations and agencies; and (c) billing third parties on whose behalf ECA incurs various costs. The Trust Fund Unit managed ECA's extrabudgetary resources in achieving its mandate. The EDP Unit is responsible for the development, implementation and maintenance of support programmes that interface with IMIS to assist other finance units in their operations. The Cashier's Unit is responsible for the disbursement of payments to staff members, vendors and other UN agencies. It is also responsible for the collection of money, issuing receipts and recording transactions in IMIS.
  4. A Finance Officer at the P-5 level heads the Finance Section and reports to the Director, Division of Administration. Five professional and 28 general service staff support him. The Subregional Offices (SROs), all headed at the P-2 level, submit periodic reports to the Section, and their payrolls are also maintained at ECA headquarters.
  5. Originally, the Budget Unit was also under the Finance Section but after the restructuring of 2006, the Unit was moved to the Office of Strategic Planning and Programme Management (OPM). Presently, the regular budget part of the Budget Unit has been moved away from OPM and placed under the direct control of the Director, Division of Administration. In the meantime, the extrabudgetary part of the function has been renamed as Partnership and Technical Cooperation Office (PATCO) and placed under the Office of Executive Secretary (OES).
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6. While the regular budget has remained constant over the years, the extrabudgetary funding has been fluctuating, reflecting the inherently unpredictable nature of the source of funding. Table 1 provides a snapshot of the financial position of ECA for the 2007–2009 period. In addition, ECA collected \$2.16 million in miscellaneous income during the biennium 2008–09.

**Table 1: ECA’s 2007–2009 financial position, in \$ million**

<b>Year</b>	<b>Regular budget</b>	<b>Extra-budgetary funds</b>	<b>Total income</b>
2007	61.28	4.65	65.93
2008	66.65	13.68	80.33
2009	65.12	14.06	79.18

Source: ECA’s Technical Cooperation Report 2007–2009

7. Comments made by ECA are shown in *italics*.

## II. AUDIT OBJECTIVES

8. The main objectives of the audit were to assess:

(a) ECA’s compliance with UN Financial Regulations and Rules and other applicable instructions; and

(b) The adequacy and effectiveness of internal controls and procedures for financial management.

## III. AUDIT SCOPE AND METHODOLOGY

9. The audit focused on transactions pertaining to the biennium 2008–09. It included: (a) a review and assessment of internal controls in the utilization of extra-budgetary funding, bank accounts monitoring, accounting and disbursements; (b) staff interviews; (c) an analysis of relevant data through a review of available records and documents. The financial management in SROs was covered through their reporting to ECA headquarters. The present audit did not cover integrity of the financial statements, but compliance and reporting were reviewed. Though the Budget Unit was separated from the Finance Section in the 2006 restructuring, it was covered to ensure completeness.

## IV. AUDIT FINDINGS AND RECOMMENDATIONS

### A. Extra-budgetary funding utilization

10. During the period 2007-2009, ECA was able to increase its funding from extra-budgetary resources from \$4.65 million in 2007 to \$14.06 million in 2009, which was commendable considering the global economic slow down. The actual extra-budgetary expenditure during this period was \$27.9 million as compared to the extra-budgetary income of \$32.4 million, resulting in an unspent

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balance of \$4.5 million, which was attributed by ECA to the lack of substantive and support staff. *ECA agreed with the need to fill PATCO vacancies expeditiously given that PATCO is a support centre for ECA's rapidly expanding extra-budgetary resources. Two P-3 posts had been filled in May 2010, and interviews for a P-4 vacancy had been completed.*

## B. Bank accounts monitoring

### Lack of bank accounts documentation and monitoring of bank charges

11. ECA has the following three bank accounts used for its operations: (i) US Dollar (USD) account at JP Morgan Chase, New York; (ii) Ethiopian Birr (Non-transferable – NT) account in the Commercial Bank of Ethiopia for receiving deposits; and (iii) Ethiopian Birr (Non-Resident – NR) account in the Commercial Bank of Ethiopia (CBE) for making payments in local currency. However, ECA does not have any written agreement or MoU with any of these banks. The JP Morgan Chase account is operated from UN Headquarters but a copy of the UN Headquarters agreement with JP Morgan was not available at ECA. The two Commercial Bank of Ethiopia accounts are operated on the basis of host country agreement, and OIOS was informed that the UN Treasury had approved the operation of these accounts in this bank. In the absence of the UNHQ agreement with JP Morgan and the terms of the Treasury approval of CBE accounts, it is not possible to determine whether the bank charges paid by ECA were in line with the agreement. *With regard to the CBE accounts, ECA clarified that CBE does not charge ECA fees for the maintenance of ECA's accounts. The charges made are on the exchange of remittances from UNHQ (USD) to Birr which is common practice in banking. This charge is made at the prevailing Birr to dollar rate. ECA monitors the CBE's (Government of Ethiopia) rate on a monthly basis and reports the buying, selling and average rates to UNHQ each month. The UN operational Birr rate is based on this report.*

### **Recommendation 1**

**(1) ECA should obtain a copy of the UN Headquarters agreement with JP Morgan Chase Bank and monitor the correctness of the bank charges.**

12. *ECA accepted recommendation 1 and stated that it will contact UNHQ for a copy of the JP Morgan agreement. Recommendation 1 remains open pending receipt of documentation showing that the required document has been obtained from UNHQ.*

### High bank balances in ECA bank accounts

13. According to UN Field Procedure Guidelines, when considering replenishment requests, a balance must be maintained between the need to minimize amounts held in ECA's bank accounts and the requirement to ensure that there are always sufficient funds available to support its operations. In 2008–2009, per ECA's monthly requests, UN Headquarters disbursed exact

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amounts requested. ECA's request to UN Headquarters was based on ECA's forecast of receipts and disbursements.

14. OIOS observed that the monthly receipt forecast was always underestimated during 2008–2009 compared to actual historical receipts. During this period, the average actual monthly receipts were \$6.9 million but the average monthly receipt forecasted was \$1.17 million. On the other hand, actual average monthly disbursement was \$5.93 million, while the average monthly disbursement forecast was \$5.6 million.

15. Cash flow forecasting was conducted in a routine manner and only one of the five main disbursing units was consulted. The actual receipts and disbursements were not taken into account while forecasting. Consequently, the receipts were mostly underestimated and disbursements overestimated leading to high replenishment requests fulfilled by UN Headquarters, and subsequent high balances in ECA bank accounts at the end of the month.

16. The bank balance in the Non-Resident (NR) account in the Commercial Bank of Ethiopia, which is mainly used for making payments in local currency, varied from 3.5 million Ethiopian Birr (ETB) or \$259,259 to ETB14.9 million or \$1,103,700. Daily analysis of bank balances for the period from July 2009 to December 2009 (184 days) for the ETB account revealed that the balance was less than ETB 2 million or \$148,148 only for 11 days. The bank balance was more than ETB 10 million or \$740,740 for 115 out of 184 days. Even after salary payments at the end of the month, the balance was more than ETB 1 million or \$74,074 in some months. *ECA clarified that sometimes, one vendor payment alone, such as to the travel agency, could use up more than \$74,000.*

17. ECA does not have the delegation of authority for making short-term investments. Thus, ECA's high bank balances do not earn any interest. These balances are directly related to ECA's cash flow forecasting system, which needs methodological improvement. In particular, in developing future forecasts, all disbursing units must be consulted and actual/historical receipts and disbursements must be taken into account. This approach would facilitate the reduction in the gap between the future forecast and actual receipts and disbursements, and, consequently, prevent high bank balances.

## **Recommendation 2**

**(2) ECA should improve its procedures for cash flow forecasting taking into account complete information on historical receipts and disbursements in order to prevent high month-end bank balances.**

18. *ECA accepted recommendation 2.* Recommendation 2 remains open pending receipt of documentation showing that ECA has modified its present system of cash forecasting to prevent high month-end bank balances.

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## C. Accounting

### Petty cash

19. Financial Rules 104.8 and 104.9 provide for the operation of petty cash funds. ECA maintains eight petty cash accounts ranging from \$250 to \$1,200 and the SROs have their own imprest accounts. Replenishments are made on a monthly basis or upon depletion by the concerned petty cash or imprest account holders.

20. The threshold limits of petty cash and imprest funds were found to be generally high at the year end as some holders of the funds never fully utilized them. For instance, the threshold of the petty cash funds in the Library was revised from ETB 600 or \$45 to ETB 1,260 or \$93 in January 2010. However, in 2009, the highest the Library had spent was ETB 379.50 or \$28. There was unjustified downward revision of petty cash and imprest thresholds. The thresholds of the Library petty cash fund for subscription of newspapers were ETB 2,000 or \$148 in 2008, ETB 600 or \$45 in 2009 and finally ETB 1,260 or \$93 in 2010.

21. The only surprise check conducted during the audit period was on 26 December 2008 covering the units based in Addis Ababa only. No surprise check of SROs has been conducted during the biennium leading to risk of misuse and fraud.

### **Recommendation 3**

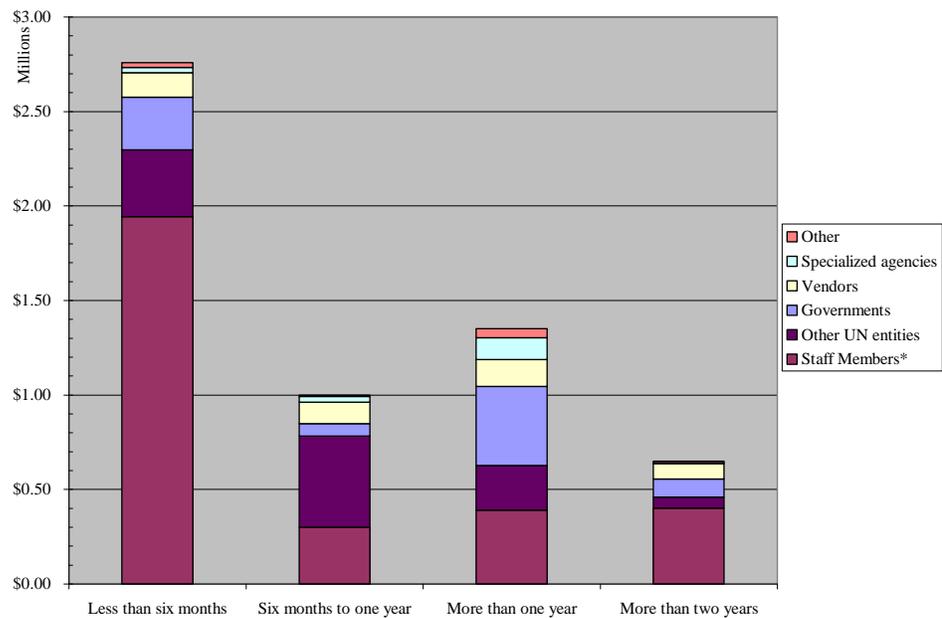
**(3) ECA should: (a) properly justify the revision of petty cash and imprest fund thresholds as required under Financial Rules 104.8 and 104.9; and (b) periodically conduct surprise checks of petty cash and imprest funds across all concerned organizational units.**

22. *ECA accepted recommendation 3 and stated that a review of petty cash usage and replenishment had been undertaken for all units. The threshold for the Library petty cash fund was reduced. Recommendation 3 remains open pending documentation showing that ECA has conducted the surprise checks.*

### Accounts receivable

23. For the biennium 2008–2009, ECA's accounts receivable totaled nearly \$6 million. Of this amount, receivables amounting to \$1.4 million were more than two years old. Figure 1 shows the aging analysis of accounts receivable as of 31 December 2009.

**Figure 1: Aging analysis of accounts receivable as of 31 December 2009, in \$ million**



Source: Annual financial statement 2009

24. As of 28 May 2010, settlement of \$1,023,635 of the more than two year old receivables was still pending. Maximum pending cases related to staff members. There had been no follow-up of these cases, even though they were old and material. Follow-up of old receivables is necessary and a system needs to be put in place to regularly monitor them.

#### **Recommendation 4**

**(4) ECA should establish a system to regularly monitor old and material receivables in order to settle them in a timely manner.**

25. *ECA accepted recommendation 4 and stated that the accounts receivable team continues to work with other units in ECA to clear old outstanding receivables and follow up on recent receivables.* Recommendation 4 remains open pending receipt of documentation showing that ECA has settled old outstanding receivables.

#### Delays in clearing write-off cases

26. OIOS reviewed write-off cases of irrecoverable receivables. There were seven write-off cases totaling \$26,875 of irrecoverable receivables in the biennium 2008–2009. ECA proposed these cases to the Controller for write-off and they were approved in 2009. In all these cases, original expenditure was incurred during 1995 to 2003 while the write-offs were approved only in 2009. It has taken ECA five to 15 years to get the expenses written-off and clear its

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accounts. In the case of an education grant paid in 1997, an erroneous charge to a wrong staff member was not discovered till 1999. While this wrongful charge was corrected, the original claim remained in the Human Resources Support Section till 2009.

27. While occurrence of such cases cannot be completely ruled out, more timely action can be taken to minimize delays.

**Recommendation 5**

**(5) ECA should ensure that there is no delay in processing write-off cases.**

28. ECA management accepted recommendation 5 and stated that in the process of clearing old outstanding receivables, cases that cannot be resolved are forwarded to Headquarters for possible write-off. Recommendation 5 remains open pending receipt of documentation from ECA showing the steps taken for timely processing of write-off cases.

Unliquidated obligations at the year-end

29. ECA carried \$15,355,386 as total unliquidated obligations as of 31 December 2009. Table 2 provides the break-down of these obligations.

**Table 2: Break-down of unliquidated obligations**

Category	Percentage
Procurement	42
Institutional	13
Miscellaneous	20
Travel	26

Source: Annual financial statement 2009

30. OIOS reviewed the process of raising the obligations in the Procurement Section for procuring goods and services and for miscellaneous obligations in the Budget Section. According to established procedures, the obligations for goods and services are raised in purchase orders before the year end when the delivery is expected within a reasonable time frame. Raising the obligation prevents the funds from lapsing at the end of the financial year. Designated certifying officers are responsible for validating the obligations. OIOS examined a sample of 15 obligations amounting to \$2,470,492 and found that:

- The Procurement Section raised eight out of the 15 sample obligations and the delivery dates of two of these obligations were indicated prior to the date of the purchase order itself. Obligation of \$98,800 was raised on 16 December 2009 under obligation for procurement of services (OBPS) 885. However, the related purchase order was not issued until June 2010. Similarly, obligations for procurement of goods (OBPG) 2135, 2182 and 2193 were raised in January 2010 while the related purchase orders were issued only in January, February and March 2010, respectively.

- The Budget Section raised miscellaneous obligations in the 2009 year-end against previous invoices on the basis of a notification from the requisitioning office. These were mainly for routine/regular payments of dues for electricity and water supply, subscription of journals etc. For instance, miscellaneous obligation was raised for electricity dues of 2009, so that funds of 2010 are not utilized for prior period expenses, as payment of 2009 dues will be effected only in 2010. However, miscellaneous obligations were also created for expenditure like travel and conferences pertaining to 2010. Obligation (OBMO 6099) for \$44,099 was raised in 2009 for maintenance and support of Web Focus software for 2010.

31. The above obligations were not in keeping with Financial Rule 105.9 which requires that obligations be raised based on a formal agreement or purchase order. There is a need for strengthening controls regarding the periodic review of unliquidated obligations in compliance with Financial Rule 105.9 to ensure that only valid obligations are raised and accounted for.

**Recommendation 6**

**(6) ECA should regularly review all obligations raised in the last month of the financial year in order to retain only valid obligations beyond the financial year.**

32. ECA accepted recommendation 6 and stated that all procuring offices have also taken action to review monthly, all unliquidated obligations with regard to procurement cases to ensure that only valid obligations are retained beyond the financial year. Based on the action taken by the ECA, recommendation 6 has been closed.

Miscellaneous income

33. ECA collected \$2.17 million in miscellaneous income during the biennium 2008–2009. Table 3 provides the break-down of the miscellaneous income.

**Table 3: Break-down of miscellaneous income collected in 2008–2009, in \$**

Miscellaneous Income	Amount
Income for services rendered including reimbursements for salaries of staff members and other costs attributable to providing technical and administrative support to other organizations	174,678.33
Income from rental of premises	1,851,903.85
Income from sale of used or surplus property	118,788.24
Refunds of expenditures charged to prior periods	19,892.31
<b>Total Miscellaneous Income</b>	<b>2,165,262.73</b>

Source: Annual financial statement 2009

34. Rental income was collected from the occupants in the ECA compound. ECA has two categories of occupants: (1) one category paid a rental including

some cost recovery elements; (2) the other only paid cost recovery but no rental. Category 1 was mostly UN agencies and Category 2 were commercial bodies renting space in the Rotunda. Table 4 provides the break-down of space occupied, cost recovery and rental charge by the two categories of occupants in the 2008–2009 biennium.

**Table 4: Break-down of space occupied, cost recovery and rental charges (in \$)**

	Sq Mts Occupied	Cost Recovery	Rental Charge	Total Annual Charge in 2008–2009 booked to Miscellaneous Income
Category 1	22,365.80	803,703.60	1,842,874.74	2,646,578.00
Category 2	3,528.51	93,533.52	0.00	93,533.52
<b>Total</b>	<b>25,894.31</b>	<b>897,237.12</b>		<b>2,740,111.52</b>

Source: Data provided by Facilities Management Services

35. ECA charged approximately 30 per cent or \$803,704 of the total rental income of \$2,646,578 as cost recovery in 2008–2009 from category 1 occupants. The total cost recovery in 2008–2009 from category 2 occupants that do not pay any rent, amounted to \$93,534. In both cases, the revenue collected, including the cost recovery, was booked to miscellaneous income.

36. As per Financial Rule 103.7, proceeds from the rental of United Nations office space should be booked as miscellaneous income and as per UN Financial Regulation 4.1 credited to the General Fund. However, before closing of the annual accounts, ECA raised journal vouchers 16249 for 2008 and 18026 for 2009 by which a total of \$831,875 was debited from miscellaneous income and credited to operating expense account. These cost recoveries from rental income are distinct from the telephone and internet charges being collected from the agencies and organizations. ECA sought to justify the cost recovery charges by provision to the occupants of common utilities, such as electricity, water, security, cleaning and intercom services. However, this contravened Financial Rule 103.7 and there was no evidence that ECA obtained authorization for this deviation from the Financial Rule.

#### **Recommendation 7**

**(7) ECA should record all income from rental and cost recovery of office space as miscellaneous income with corresponding credit to the General Fund in accordance with Financial Regulation 4.1 and Financial Rule 103.7.**

37. ECA accepted recommendation 7 and stated that the Secretariat is in the process of standardizing and harmonizing the cost recovery policies, practices and procedures to one UN standard cost recovery policy. Recommendation 7 remains open pending receipt of the revised policy with regard to treatment of rental income and cost recovery.

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## D. Disbursements

### Advances

38. Advances were granted to staff members mainly as education grant or salary advance for rent purposes and while on annual leave. Total advances granted in 2008–2009 amounted to \$17,276,247. Table 5 provides the break-down of these advances.

**Table 5: Break-down of 2008–2009 advances**

Category	Amount (\$)	Percentage
Imprest/Petty Cash	3,994,374	23.12
Third Party	191,635	1.10
Travel	6,275,019	36.32
Vendor	737,501	4.27
Salary Advance	2,691,162	15.58
Education Grant	3,386,555	19.60
<b>Total</b>	<b>17,276,247</b>	<b>100.00</b>

Source: Annual Financial Statement 2009

39. A sample review of 25 advance disbursement vouchers showed that in one case of GBP 15,000 (equivalent to \$30,181, i.e., more than a double of allowable limit of \$13,714) was paid as an education grant advance. There was no invoice from the college in Wales, where staff member's child was enrolled. The advance was made on the basis of an invoice from an institution in India. The final claim for the amount of GBP 12,522.30, equivalent to \$21,930.63 was processed without any invoice from the college. There was no evidence in any of the documents that the tuition fee for the child was paid.

### **Recommendation 8**

**(8) ECA should: (a) inquire into the education grant payment of \$21,930.63 without an invoice from the school; and (b) ensure that there is a system in place to check invoices before making advance payments.**

40. *ECA accepted recommendation 8 and stated that the new e-Education Grant system ensures that the invoices are submitted with the related claims. Recommendation 8 remains open pending receipt of the results of ECA's inquiry and confirmation that the payment was in order.*

## V. ACKNOWLEDGEMENT

41. We wish to express our appreciation to the Management and staff of the ECA for the assistance and cooperation extended to the auditor during this assignment.

## STATUS OF AUDIT RECOMMENDATIONS

Recom. no.	Recommendation	Risk category	Risk rating	C/O <sup>1</sup>	Actions needed to close recommendation	Implementation date <sup>2</sup>
1.	ECA should obtain a copy of the UN Headquarters agreement with JP Morgan Chase Bank and monitor the correctness of the bank charges.	Financial	Medium	O	Submission of a copy of agreement with JP Morgan Chase Bank	Not provided
2.	ECA should improve its procedures for cash flow forecasting taking into account complete information on historical receipts and disbursements in order to prevent high month-end bank balances.	Financial	Medium	O	Submission of documentation that ECA has modified its present system of cash forecasting and put in place a new system which will prevent high month-end bank balances	Not provided
3.	ECA should: (a) properly justify the revision of petty cash and imprest fund thresholds as required under Financial Rules 104.8 and 104.9; and (b) periodically conduct surprise checks of petty cash and imprest funds across all concerned organizational units.	Financial	Medium	O	Submission of documentation showing periodic surprise checks of petty cash funds	Not provided
4.	ECA should establish a system to regularly monitor old and material receivables in order to settle them in a timely manner.	Financial	Medium	O	Submission of documentation that ECA has settled old outstanding receivables	Not provided
5.	ECA should ensure that there is no delay in processing write-off cases.	Financial	Medium	O	Submission of documentation showing steps taken for timely processing of write-off cases	Not provided
6.	ECA should regularly review all obligations raised in the last month of the financial year in order to retain only valid obligations beyond the financial year.	Financial	Medium	C	Action completed	Implemented
7.	ECA should record all income from rental and cost recovery of office space as miscellaneous income with corresponding	Financial	Medium	O	Submission of documentation showing the revised policy with regard to treatment of rental income and cost recovery	Not provided

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<b>Recom. no.</b>	<b>Recommendation</b>	<b>Risk category</b>	<b>Risk rating</b>	<b>C/O<sup>1</sup></b>	<b>Actions needed to close recommendation</b>	<b>Implementation date<sup>2</sup></b>
	credit to the General Fund in accordance with Financial Regulation 4.1 and Financial Rule 103.7.					
8.	ECA should: (a) inquire into the education grant payment of \$21,930.63 without an invoice from the school; and (b) ensure that there is a system in place to check invoices before making advance payments.	Financial	Medium	O	Submission of documentation showing the results of the enquiry on the payment of \$21,930.63 as education grant without an invoice from the school	Not provided

1. C = closed, O = open

2. Date provided by ECA in response to recommendations.