



Office of Internal Oversight Services

INTERNAL AUDIT DIVISION

REPORT 2016/172

Audit of financial and human resources management in the Economic Commission for Latin America and the Caribbean

Controls over financial and human resources management needed to be enhanced to improve effectiveness

20 December 2016

Assignment No. AN2016/730/1

Audit of financial and human resources management in the Economic Commission for Latin America and the Caribbean

EXECUTIVE SUMMARY

The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over financial and human resources management in the Economic Commission for Latin America and the Caribbean (ECLAC). The audit covered the period from January 2014 to June 2016 and it included administrative reporting lines, financial management, and human resources management.

ECLAC ensured relevant staff complied with the financial disclosure programme and maintained adequate controls over payments and disbursements for construction activities. Controls over other financial and human resources management needed to be enhanced to improve effectiveness.

OIOS made eight recommendations. To address issues identified in the audit, ECLAC needed to:

- Update the Secretary-General's bulletin on the organization of its secretariat to reflect changes to its mandate and administrative reporting lines;
- Ensure that officials accepting voluntary contributions and overseeing programme support costs have appropriate delegations of financial authority;
- Revoke the authority of staff no longer performing certifying/approving functions to ensure adequate segregation of duties and ensure that the panel of certifying/approving officers is valid and current;
- Adequately plan for meetings, workshops and training courses so that the lists of participants can be finalized in time to comply with the travel policy on advance purchasing of tickets;
- Perform self-evaluations on all key performance indicators under the human resources management objective and put in place remedial measures necessary to achieve or maintain targets;
- Ensure staff and their supervisors complete performance appraisals by the target date set in the administrative instruction on the performance management and development system; and
- Ensure all staff undertake the required mandatory training courses and set a target date for their completion.

In addition, the Department of Management (DM) needed to strengthen the method of delegating financial authority to heads of administration of various Secretariat entities to enhance accountability.

ECLAC and DM accepted the recommendations and have initiated actions to implement them.

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Audit of financial and human resources management in the Economic Commission for Latin America and the Caribbean

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of financial and human resources management in the Economic Commission for Latin America and the Caribbean (ECLAC).
2. ECLAC was established by Economic and Social Council resolution 106 (VI) of 25 February 1948 to promote economic, social, and environmental sustainable development in Latin America and the Caribbean through international cooperation. ECLAC is headquartered in Santiago, Chile, with two subregional offices in Mexico and Trinidad and Tobago, and five national offices located in South America and the United States.
3. Financial and human resources management activities at ECLAC are performed by the Division of Administration, which is headed by a Chief, at the D-1 level who reports to the Deputy Executive Secretary for Management. The Finance Section is responsible for the management of the day-to-day operations and effective delivery of financial services including preparation of financial reports, release of outgoing funds and approval of payments to vendors, consultants and individual contractors. It operates with 15 staff members headed by a Chief of Section at the P-5 level.
4. The Human Resources Section is responsible for aligning ECLAC human resources capacity with its mission and ensures that the secretariat carries out its functions effectively and efficiently. The Section is also responsible for staff development, staff administration and recruitment as well as administration of consultants and individual contractors. It operates with 18 staff members headed by a Chief of Section at the P-5 level.
5. The biennium 2014-2015 budget for ECLAC amounted to \$153 million in both regular and extrabudgetary resources and funded 515 posts (473 posts from the regular budget and 42 posts from extrabudgetary resources), and non-post requirements totaling \$50 million. These included travel, recruitment of consultants and individual contractors and construction activities.
6. Comments provided by ECLAC and the Department of Management (DM) are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

7. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes over financial and human resources management in ECLAC.
8. This audit was included in the 2016 risk-based work plan of OIOS due to the risk associated with certain aspects of financial and human resources management.
9. OIOS conducted this audit from July to September 2016. The audit covered the period from January 2014 to June 2016. Based on an activity-level risk assessment, the audit covered higher and medium risks in financial and human resources management, including administrative reporting lines.
10. The audit methodology included: (a) interviews of key personnel, (b) reviews of relevant documentation, (c) analytical reviews of data, and (d) sample testing of transactions.

III. OVERALL CONCLUSION

11. ECLAC ensured relevant staff complied with the financial disclosure programme and maintained adequate controls over payments and disbursements for construction activities. Controls over other financial and human resources management needed to be enhanced to improve effectiveness. In particular, ECLAC needed to: (a) revise the Secretary-General's bulletin on the organization of ECLAC to reflect changes to its mandate and administrative reporting lines; (b) ensure officials accepting voluntary contributions and overseeing programme support costs have appropriate delegation of authority; (c) revoke the authority of staff no longer required to perform certifying and approving functions; (d) make advance plans for meetings, workshops and training to comply with the travel policy on purchasing tickets; (e) perform self-evaluations on key performance indicators under the human resources management objective and put in place remedial measures to maintain or achieve them; (f) ensure staff complete their performance appraisals by the target date and undertake required mandatory training. In addition, DM needed to strengthen the method of delegating financial authority to heads of administration of various Secretariat entities to enhance accountability.

IV. AUDIT RESULTS

A. Administrative reporting lines

The Secretary-General's bulletin on the organization of ECLAC needed revision to reflect changes to its mandate and administrative reporting lines

12. The Secretary-General's 2009 bulletin on the procedures for the promulgation of administrative issuances requires officials responsible for promulgating and/or implementing administrative issuances to ensure they are reviewed periodically so that the rules, instructions and procedures that they prescribe are up to date.

13. Changes made to the executive direction and management of the ECLAC secretariat during the biennium 2014-2015 were yet to be reflected in the Secretary-General's bulletin on the organization of ECLAC. A new position of Deputy Executive Secretary for Management was created effective 1 January 2016, changing the reporting line of the Division of Administration to this function. A new subprogramme was also endorsed by General Assembly resolution 67/236 that is yet to be included in the bulletin. Consequently there is a discrepancy between the original mandate and reporting lines as stated in the bulletin and ECLAC current activities and structure.

(1) ECLAC should initiate the updating of the Secretary-General's bulletin on the organization of its secretariat to reflect changes to its mandate and administrative reporting lines.

ECLAC accepted recommendation 1 and stated that the revised Secretary-General's bulletin on the organization of its secretariat would be submitted to the Secretary-General for publication. Recommendation 1 remains open pending submission of the revised Secretary-General's bulletin on the organization of ECLAC's secretariat to the Office of Human Resources Management for review and issuance.

B. Financial management

Delegation of financial authority needed to be strengthened

14. The administrative instruction on delegation of authority under the Financial Regulations and Rules of the United Nations (ST/AI/2016/7) states that the Assistant Secretary-General, Controller may delegate authority and responsibility to implement the Financial Regulations and Rules to other officials, as appropriate.

15. Accordingly, the Assistant Secretary-General, Controller delegated financial authority to the Chief, Division of Administration¹ via a memorandum dated 25 April 2016. The authority was granted based on her role and function rather than on a personal basis as had been the practice in the past. Therefore, the Chief was not required to sign any instrument to signify that she had accepted the delegation and would be personally accountable for the actions in the performance of the delegated authority. The absence of formal acceptance of the delegated authority or the delegation of financial authority through an administrative issuance could impede the Organization from enforcing accountability in the event of any malfeasance.

16. OIOS further observed that some officials accepting voluntary contributions and overseeing programme support costs in the Division of Programme Planning and Operations had not been delegated authority to perform these functions. They were therefore performing functions for which they were not authorized, which weakened the internal control system and could lead to lack of accountability.

(2) The Department of Management should take action to strengthen the method of delegating authority under the Financial Regulations and Rules of the United Nations to ensure officials to whom authority is delegated can be held accountable.

DM accepted recommendation 2 and stated that new initiatives such as Umoja had provided opportunities to introduce changes to improve the internal control framework and hold authorized officials accountable. DM was reviewing ways to strengthen delegation of authority in the other administrative areas. Recommendation 2 remains open pending notification of the action implemented to ensure officials to whom authority is delegated can be held accountable.

(3) ECLAC should take action to ensure that officials accepting voluntary contributions and overseeing programme support costs have appropriate delegation of financial authority.

ECLAC accepted recommendation 3 and stated that it would submit a request to the Controller's office to issue revised delegations of authority for officials accepting voluntary contributions and overseeing programme support costs. Recommendation 3 remains open pending confirmation that all officials accepting voluntary contributions and overseeing programme support costs have appropriate delegation of financial authority.

ECLAC needed to segregate the approving and certifying functions and periodically update the panels

17. In accordance with Financial Rule 104.5, bank signatory and responsibility are assigned on a personal basis and cannot be delegated. Bank signatories and certifying officers cannot exercise the approving function, as stipulated in Rule 105.6.

¹ (among other directors of administration of offices away from Headquarters and directors/chiefs of mission support and chiefs of administration in peacekeeping and special political missions)

18. ECLAC had 13 approving officers, 27 certifying officers and 22 bank signatories who were properly designated by the Controller. However, OIOS noted that one staff member was both an approving and a certifying officer, although ECLAC informed OIOS that he never exercised the two functions concurrently. Another staff member was an approving officer as well as a credit card holder. Since credit card holders could disburse payments, as much as bank signatories, they should not have the dual role of approving officer as well as credit card holder in accordance with Financial Rule 105.6.

19. OIOS also noted that six staff members who had retired or left ECLAC, and three staff members who had no approving role following implementation of Umoja, were still listed as approving officers because their authority had not been revoked or withdrawn. Similarly, certifying authority to eight staff members who had left ECLAC and five staff members who no longer had the certifying role after implementation of Umoja had not been revoked. This was mainly because there was no procedure in place to revoke the authority of staff who were no longer required to perform the related roles and there was a risk that such authority could be applied inappropriately in future.

(4) ECLAC should: (a) implement a procedure to revoke the authority of staff no longer performing certifying and approving functions to ensure adequate segregation of duties; and (b) conduct a review of the panel of certifying or approving officers to ensure that it is valid and current.

ECLAC accepted recommendation 4 and stated that ECLAC had instructed the Human Resources Section on 28 October 2016 to incorporate a new field in form P.35 “Certificado de Descargo”, in which all staff members retiring or leaving ECLAC are required to state if they had performed certifying, approving and/or bank signatory functions. This would be used to revoke delegations of authority. ECLAC had also reviewed and updated the lists of certifying and approving officers, which are now valid and current. Recommendation 4 remains open pending receipt of evidence that a procedure has been implemented to remove the names of staff members who no longer perform certifying or approving officer functions from the list.

Controls over participation in financial disclosure programme and declaration of interest statements were adequate

20. In accordance with the Secretary-General’s bulletin on financial disclosure and declaration of interest statements (ST/SGB/2006/6), all staff at the D-1 level and above, all procurement officers and, in the case of ECLAC all certifying and approving officers, major requisitioners and programme managers in charge of projects, have an obligation to file an annual financial disclosure statement.

21. The programme to file annual financial disclosure statements is administered by the Ethics Office, which also sets the deadline for the completion of the exercise. ECLAC role is to identify all staff members who are required to file the statements in accordance with the Secretary-General’s bulletin and to follow up on staff who fail to comply by the set deadline as reported by the Ethics Office.

22. ECLAC appointed two focal points in the Division of Administration to identify individuals who meet the criteria for filing the disclosures and also monitor compliance. The filing deadline for the 2016 filing cycle was 31 March 2016 covering the reporting period 1 January to 31 December 2015. Names of 103 staff members were submitted to the Ethics Office as meeting the criteria to file the financial disclosure statements.

23. At the time of audit in August 2016, a 100 per cent compliance rate with this requirement had been achieved. OIOS concluded that compliance with the financial disclosure programme at ECLAC was adequately controlled.

ECLAC needed to initiate official travel 16 days in advance of actual travel for meetings and workshops

24. In accordance with the administrative instruction on official travel (ST/AI/2013/3), all travel arrangements for individuals travelling on behalf of the United Nations, including advance booking and purchase of tickets, should be finalized 16 calendar days in advance of commencement of official travel. Programme managers are required to provide justification on all official travel arrangements that could not be finalized 16 days in advance.

25. In the biennium 2014-2015, ECLAC purchased 4,701 tickets at a cost of \$11,330,322. A total of 2,559 or 54 per cent were bought less than 16 calendar days before commencement of travel, while 2,142 or 46 per cent were bought 16 or more calendar days in advance.

26. Frequent changes of travel arrangements by staff and Member State officials attending ECLAC meetings/seminars and also delays in planning in advance for meetings, workshops and training so that the final list of participants could be concluded on time were cited as main reasons for the high level of noncompliance with the administrative instruction. However, this could result in increased costs of tickets.

(5) ECLAC should take action to make advance plans for its meetings, workshops and training courses so that the lists of participants can be finalized in time to comply with the travel policy of purchasing tickets at least 16 days in advance of actual travel.

ECLAC accepted recommendation 5 and stated that an administrative circular was issued to all staff on 1 November 2016 advising them that requests for purchasing tickets are to be submitted 21 days in advance, and providing detailed guidance of the processes and the roles and accountabilities of the parties involved. Recommendation 5 remains open pending receipt of evidence that tickets are purchased 21 days in advance of travel.

Payments and disbursements for construction activities were well controlled

27. All payments and disbursements are required to be supported by proof that goods have been received or services have been rendered.

28. A sample of five construction projects valued at approximately \$933,184 were selected out of a total of \$2,469,038 cumulated expenditures between January 2014 to June 2016 to assess whether the payments were supported by invoices, and confirmation that work was done in accordance with contract documents. All the invoices were properly reviewed by the General Services Section, which ensured that goods and services were delivered as originally ordered in terms of quantity and quality. As an added control, all completed projects had contractor performance evaluation reports signed by the Project Manager and the Requisitioning Manager confirming compliance with the contract; adherence to scope of work, specifications, drawings; and quality of work and materials. Therefore, OIOS assessed controls over disbursements for construction activities as adequate.

C. Human resources management

ECLAC needed to assess performance against human resources management indicators

29. According to one of the human resources management scorecard strategic indicators, all steps in the recruitment process should be completed within 83 working days from approval of job requisitions to selection decision. This indicator was also included in the compact between the Secretary-General and the Executive Secretary.

30. As of 30 June 2016, ECLAC had a vacancy rate of 14 per cent with 70 posts vacant from a total of 515 established posts. The vacant posts were at various stages in the recruitment process as at 30 June 2016.

31. OIOS reviewed the time it took to complete the recruitment process and noted that in 2014, the process took an average of 407 working days and in 2015, it took 160 working days. In both years, the target of 83 working days set by the Office of the Human Resources Management was not met. In 2016, the timeline improved to an average of 39 working days as three of the six staff who were recruited were selected from a pre-approved roster of qualified candidates.

32. However, OIOS noted that while the trend in the average time to recruit staff was improving, ECLAC did not analyze actions planned or taken to ensure recruitment targets are maintained within the limits set in the Executive-Secretary's compact. It did not also analyze other performance measures included in the compact (such as ensure 20 per cent of geographical appointments are from unrepresented, under-represented or at risk Member States and increase efforts to attain gender parity). ECLAC was therefore not in a position to identify and put in place action points for improvement where targets have not been met.

(6) ECLAC should perform self-evaluations on all key performance indicators under the human resources management objective and put in place remedial measures to achieve or maintain the targets.

ECLAC accepted recommendation 6 and stated that the Human Resources Section had been requested to issue a report to the Management Committee every two months on the status of key performance indicators. This would allow the Committee to take the appropriate remedial actions to maintain or achieve targets accordingly. Recommendation 6 remains open pending receipt of the first report on the status of key performance indicators on human resources management.

ECLAC needed to ensure staff performance appraisals are completed timely

33. According to the administrative instruction on the performance management and development system (ST/AI/2010/5), each office is expected to complete performance evaluation of staff by 30 June of each year.

34. The Human Resources Section kept track of staff performance appraisal compliance rates per division. For the performance period from 1 April 2014 to 31 March 2015, the compliance rate in ECLAC was 63 per cent, while in the 2015/2016 period it was 47 per cent as of 1 August 2016, against the target of 100 per cent. OIOS noted that even though a tracking system was in place, managers did not enforce completion of performance evaluation. In addition, staff did not pay attention to the need to initiate their performance appraisals maintaining that they were busy with their programmes of work. ECLAC stated that the low compliance for cycle 2015/2016 was mainly due to Umoja implementation,

which kept staff and supervisors fully focused on the training and implementation of the new solution. However, not appraising staff performance as required could adversely affect work plan implementation and career progression as staff weaknesses are not discussed with supervisors and remedied. Also, conversion to continuing contract status as well as promotions within or outside of ECLAC requires submission of satisfactory performance evaluations.

(7) ECLAC should prepare and implement an action plan to ensure staff and their supervisors complete performance appraisals by the target date set in the administrative instruction on the performance management and development system.

ECLAC accepted recommendation 7 and stated that additional reminders would be issued to all staff and supervisors on a regular basis and specific low-compliance areas would be targeted. In addition, trainings on performance management were being administered periodically. Recommendation 7 remains open pending receipt of evidence that staff and their supervisors complete performance appraisals by the target date set.

All ECLAC staff needed to undertake the mandatory training courses

35. According to the information circular on United Nations mandatory programmes (ST/IC/2016/15), there are seven mandatory courses for all staff regardless of their level, duty station or function (six for the period 2014-2015). There are also courses that are mandatory for staff members undertaking certain functions.

36. The Human Resources Section maintained a consolidated database of training completed by staff in Santiago and Regional Offices located in Mexico City and Port of Spain. The database was consolidated twice a year.

37. OIOS reviewed statistics for compliance as of June 2016 and observed that on average the compliance rate was around 60 per cent for mandatory courses for all staff. According to the statistics kept by the Human Resources Section, the average compliance rate for other mandatory courses during the same period was 25 per cent of those staff mandated to undertake them based on role or function.

38. While ECLAC had the tools to monitor status of courses undertaken, it did not put in place measures to enforce compliance. As a result, staff may not be familiar with key regulations, rules and processes, which could impact their efficiency and effectiveness.

(8) ECLAC should develop and implement an action plan to ensure all staff undertake the required mandatory training courses and set a target date for their completion.

ECLAC accepted recommendation 8 and stated that a communication was issued to all staff on 29 November 2016 indicating mandatory trainings and instructing all supervisors to ensure they are included in staff members' work-plans and used as evaluation criteria within their e-performance. Compliance status of mandatory training courses would be included in the report by the Human Resources Section to the Management Committee every two months. Recommendation 8 remains open pending receipt of the first report on the completion status of mandatory training courses .

The Human Resources Section was implementing a work around to ensure payments to consultants and individual contractors are based on the certification of outputs

39. In accordance with the administrative instruction on consultants and individual contractors, payment of fees is subject to the satisfactory completion of services and ECLAC's certification to that effect, at appropriate milestones.

40. Before the introduction of Umoja in November 2015, certification of payments to consultants was done by the Division of Programme Planning and Operations, after a substantive review of receipt of deliverables. This ensured that the outputs included in the terms of reference were delivered and that they met the quality standards required by donors/project specifications/programme of work.

41. Following Umoja implementation, certification of payments to consultants is now performed by staff in the Human Resources Section in ECLAC who were given the certification role. This is in accordance with the enterprise roles that were mapped centrally that made human resource partners responsible for processing approved requests for paying consultants, while substantive divisions were mapped as requisitioners. Even though the Human Resources staff could identify whether the related outputs were delivered through physical verification of reports and other documentation, they could not effectively review their content and quality as this is outside their occupational competence. There was therefore a risk that payments to consultants may be certified without adequate assurance of satisfactory delivery of work outputs.

42. ECLAC explained that technical problems had been encountered in Inspira over the last few months in generating evaluations and the Umoja Task Force had been informed. As an interim measure, and in order to ensure all consultants and individual contractors are evaluated before receiving final payments, an evaluation form has been developed by the Human Resources Section, which is used in those instances when the evaluation cannot be entered into Inspira. In light of the action taken by ECLAC, OIOS did not make a recommendation on this issue at this time.

V. ACKNOWLEDGEMENT

43. OIOS wishes to express its appreciation to the management and staff of ECLAC for the assistance and cooperation extended to the auditors during this assignment.

(Signed) Eleanor T. Burns
Director, Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of financial and human resources management in the Economic Commission for Latin America and the Caribbean

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
1	ECLAC should initiate the updating of the Secretary-General's bulletin on the organization of its secretariat to reflect changes to its mandate and administrative reporting lines.	Important	O	Submission of the revised Secretary-General's bulletin on the organization of ECLAC's secretariat to the Office of Human Resources Management for review and issuance.	31 December 2016
2	The Department of Management should take action to strengthen the method of delegating authority under the Financial Regulations and Rules of the United Nations to ensure officials to whom authority is delegated can be held accountable.	Important	O	Notification of the action implemented to ensure officials to whom authority is delegated can be held accountable.	31 December 2018
3	ECLAC should take action to ensure that officials accepting voluntary contributions and overseeing programme support costs have appropriate delegation of financial authority.	Important	O	Confirmation that all officials accepting voluntary contributions and overseeing programme support costs have appropriate delegation of financial authority.	31 December 2016
4	ECLAC should: (a) implement a procedure to revoke the authority of staff no longer performing certifying and approving functions to ensure adequate segregation of duties; and (b) conduct a review of the panel of certifying or approving officers to ensure that it is valid and current.	Important	O	Submission of evidence that a procedure has been implemented to remove the names of staff members who no longer perform certifying or approving officer functions from the list.	31 December 2016
5	ECLAC should take action to make advance plans for its meetings, workshops and training courses so that the lists of participants can be finalized in time to comply with the travel policy of purchasing tickets at least 16 days in advance of actual travel.	Important	O	Submission of evidence that tickets are purchased 21 days in advance of travel	31 December 2016
6	ECLAC should perform self-evaluations on all key performance indicators under the human resources	Important	O	Submission of the first report on the status of key performance indicators on human resources	31 December 2016

² Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

³ Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

⁴ C = closed, O = open

⁵ Date provided by ECLAC in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of financial and human resources management in the Economic Commission for Latin America and the Caribbean

Rec. no.	Recommendation	Critical ² / Important ³	C/ O ⁴	Actions needed to close recommendation	Implementation date ⁵
	management objective and put in place remedial measures to achieve or maintain the targets.			management.	
7	ECLAC should prepare and implement an action plan to ensure staff and their supervisors complete performance appraisals by the target date set in the administrative instruction on the performance management and development system.	Important	O	Submission of evidence that staff and their supervisors complete performance appraisals by the target date set.	31 December 2016
8	ECLAC should develop and implement an action plan to ensure all staff undertake the required mandatory training courses and set a target date for their completion.	Important	O	Submission of the first report on the completion status of mandatory training courses	31 December 2016

APPENDIX I

Management Response

Management Response

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Rec. no.	Recommendation	Critical ⁶ / Important ⁷	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	ECLAC should initiate the updating of the Secretary-General's bulletin on the organization of its secretariat to reflect changes to its mandate and administrative reporting lines.	Important	Yes	Director, DPPOA	Immediate	ECLAC has revised the Secretary-General's bulletin on the organization of its secretariat to reflect changes to its mandate and administrative reporting lines. Final document is to be submitted to the SG for publication.
2	The Department of Management should take action to strengthen the method of delegating authority under the Financial Regulations and Rules of the United Nations to ensure officials to whom authority is delegated can be held accountable.	Important	Yes	DM/Controller		
3	ECLAC should take action to ensure that officials accepting voluntary contributions and overseeing programme support costs have appropriate delegation of financial authority.	Important	Yes	Chief, DPPO	Immediate	ECLAC shall submit to the Controller's office request to issue revised delegation of authority for officials accepting voluntary contributions and overseeing programme support costs.
4	ECLAC should: (a) implement a procedure to revoke the authority of staff no longer performing certifying and approving functions to ensure adequate segregation of duties; and (b) conduct a review of the panel of	Important	Yes	Chief of HRS	28 October 2016	a) As per memorandum issued to Human Resources Section on 28 October 2016 the Administration instructed incorporation in the P.35 – "Certificado de Descargo", a

⁶ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

⁷ Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

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	certifying or approving officers to ensure that it is valid and current.					<p>new field. All staff members who retire or leave ECLAC are required to state within the new P.35 if they performed Certifying/ Approving/ bank signatory and/or CC holder functions. The Administration is now able to revoke delegations upon having received the P.35 form.</p> <p>b) Administration has reviewed and updated the lists of certifying and approving officers ensuring that these are valid and current.</p>
5	ECLAC should take action to make advance plans for its meetings, workshops and training courses so that the lists of participants can be finalized in time to comply with the travel policy of purchasing tickets at least 16 days in advance of actual travel.	Important	Yes	Admin/Substantive Divisions, DPPO, All Directors	1 November 2016	Administration issued Administrative Circular to all staff on 1 November 2016 referencing Administrative Circular CGI/24/2013 issued on 27 August 2013, and ST/AI/2013/3, on United Nations Travel Policies, informing that requests for purchasing tickets upon implementation of Umoja are to be performed 21 days in advance and providing detailed guidance of the processes, as well as of the roles and accountability of each of the parties involved within these processes.
6	ECLAC should perform self-evaluations on all key performance indicators under the human resources management objective and put in place remedial measures to achieve or maintain the	Important	Yes	Chief of HRS	Immediate	We take note of the recommendation. Human Resources Section has been instructed to issue a report to the Management Committee every two

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	targets.					months, in order to inform on the status of key performance indicators and allow the Committee to take the appropriate remedial actions to maintain or achieve the targets accordingly.
7	ECLAC should prepare and implement an action plan to ensure staff and their supervisors complete performance appraisals by the target date set in the administrative instruction on the performance management and development system.	Important	Yes	Management Committee, Chief of HRS	Immediate	As mentioned in the exit interview, the low compliance for cycle 15-16 was mainly due to the Umoja implementation that kept staff and supervisors fully focused on the training and implementation of the new solution. The compliance rate is continuously monitored. Additional reminders shall be issued to all staff and supervisors on a regular basis and specific low-compliance areas shall be targeted. In addition, trainings on Performance Management are being administered periodically.
8	ECLAC should develop and implement an action plan to ensure all staff undertake the required mandatory training courses and set a target date for their completion.	Important	Yes	Chief of Administration	Circular No. 23 29 November 2016	Communication to all staff was issued on 29 November 2016 indicating mandatory trainings and instructing all supervisors to ensure inclusion in staff members' Work plans, completion of all mandatory trainings courses as an evaluation criteria within their e-performance. Compliance status of mandatory training courses are included in the report to be issued by the Human Resources Section to the Management Committee as per

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						recommendation 6.
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Rec. no.	Recommendation	Critical ⁸ / Important ⁹	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	ECLAC should initiate the updating of the Secretary-General's bulletin on the organization of its secretariat to reflect changes to its mandate and administrative reporting lines.	Important				
2	The Department of Management should take action to strengthen the method of delegating authority under the Financial Regulations and Rules of the United Nations to ensure officials to whom authority is delegated can be held accountable.	Important	Yes	Assistant Secretary-General/ Controller, OPPBA and Assistant Secretary-General, OCSS	31 December 2018	<p>The Administration has implemented a new system, whereby financial authority has been delegated to the roles and functions of the Directors of Administration at Offices away from Headquarters and Directors/Chiefs of Mission Support at Peacekeeping and Special Political Missions. This aims to strengthen the internal control framework and accountability by making financial delegations consistent and clear. With this new system, authority is delegated to authorized officials according to their role and function, rather than on a personal basis to each individual.</p> <p>While adding transparency to the delegation system, this also sets clear expectations and guidance around the responsibilities and holds authorized officials accountable for complying with and implementing financial policies and</p>

⁸ Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

⁹ Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

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Rec. no.	Recommendation	Critical ⁸ / Important ⁹	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						processes in a way that delivers results. New initiatives such as Umoja, IPSAS, ERM and the mobility policy have provided opportunities to introduce changes by adapting approaches, processes, and the tools needed to improve the internal control framework and hold authorized officials accountable. The Administration is reviewing ways to strengthen delegation of authority in the other administrative areas, including procurement, asset management, human resources management and management of information and communication technology.
3	ECLAC should take action to ensure that officials accepting voluntary contributions and overseeing programme support costs have appropriate delegation of financial authority.	Important				
4	ECLAC should: (a) implement a procedure to revoke the authority of staff no longer performing certifying and approving functions to ensure adequate segregation of duties; and (b) conduct a review of the panel of certifying or approving officers to ensure that it is valid and current.	Important				
5	ECLAC should take action to make advance plans for its meetings, workshops and training courses so that the lists of	Important				

Management Response

Audit of financial and human resources management in the Economic Commission for Latin America and the Caribbean

Rec. no.	Recommendation	Critical ⁸ / Important ⁹	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	participants can be finalized in time to comply with the travel policy of purchasing tickets at least 16 days in advance of actual travel.					
6	ECLAC should perform self-evaluations on all key performance indicators under the human resources management objective and put in place remedial measures to achieve or maintain the targets.	Important				
7	ECLAC should prepare and implement an action plan to ensure staff and their supervisors complete performance appraisals by the target date set in the administrative instruction on the performance management and development system.	Important				
8	ECLAC should develop and implement an action plan to ensure all staff undertake the required mandatory training courses and set a target date for their completion.	Important				