



INTERNAL AUDIT DIVISION

REPORT 2018/079

Audit of the management of the economic cluster of subprogrammes in the Economic Commission for Latin America and the Caribbean

While the subprogrammes' work planning, performance monitoring and management of technical cooperation activities were satisfactory, the secretariat needed to finalize its resource mobilization plan and fill key vacant posts

31 August 2018

Assignment No. AN2018/730/02

Audit of the management of the economic cluster of subprogrammes in the Economic Commission for Latin America and the Caribbean

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of the management of the economic cluster of subprogrammes in the Economic Commission for Latin America and the Caribbean (ECLAC). The subprogrammes comprised: (a) subprogramme 1 – linkages with the global economy, regional integration and cooperation; (b) subprogramme 2 – production and innovation; (c) subprogramme 3 – macroeconomic policies and growth.

The objective of the audit was to determine whether ECLAC had established controls to effectively manage the subprogrammes and their related technical cooperation activities. The audit covered the period from January 2016 to December 2017 and reviewed: (a) work planning and performance monitoring, including mainstreaming of the Sustainable Development Goals (SDGs); (b) coordination between the economic cluster subprogrammes to complement the achievement of individual subprogramme objectives; (c) programming and management of technical cooperation activities/projects; (d) resource mobilization for extrabudgetary resources; and (e) administrative management of the three subprogrammes.

ECLAC adequately prepared and monitored its annual work plans; collaborated with supreme audit institutions in promoting accountability on SDGs; and improved the use of voluntary national reports in the preparation of its programme of work. The subprogrammes also coordinated their activities and adequately planned and managed technical cooperation activities/projects. However, ECLAC needed to finalize its resource mobilization plan and fill vacant posts.

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

- Expedite the approval of the resource mobilization plan; and
- Finalize the recruitment of key posts to perform its responsibilities effectively.

ECLAC accepted the recommendations and has initiated action to implement them.

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Audit of the management of the economic cluster of subprogrammes in the Economic Commission for Latin America and the Caribbean

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of the management of the economic cluster of subprogrammes in the Economic Commission for Latin America and the Caribbean (ECLAC).

2. The Economic and Social Council established ECLAC and updated its mandate under resolutions 106 (VI) of 25 February 1948, 1984/67 of 27 July 1984 and 553 (XXVI) of 20 April 1996. The overall purpose of ECLAC is to promote the economic, social and environmentally sustainable development of Latin America and the Caribbean through international cooperation, by undertaking applied research and comparative analysis of development processes and providing the relevant normative, operational and technical cooperation services in support of regional development efforts.

3. ECLAC's programme of work is organized around 14 interdependent and complementary subprogrammes under programme 18 of the United Nations strategic framework. The corresponding budgetary resources are contained in programme budget Section 21 of the United Nations regular budget. Additionally, ECLAC obtains financial resources from Section 23 - Regular programme of technical cooperation (RPTC), and Section 35 - Development Account. ECLAC's proposed programme budget for the 2016-2017 biennium amounted to \$140.5 million comprising of \$115 million from the regular budget and \$25.5 million from the extrabudgetary resources.

4. Among ECLAC's 14 subprogrammes, the economic cluster comprises four subprogrammes. Table 1 provides the proposed budget estimates for these subprogrammes along with resources allotted from RPTC and the Development Account.

Table 1: 2016-2017 Proposed programme budget for subprogrammes 1 - 4 (in thousands of United States dollars)

Subprogrammes	2016 – 2017 Resource Requirements						
	Regular budget	Extra-budgetary	Subtotal	RPTC	Total	Development Account	Posts
1 - Linkages with the global economy, regional integration and cooperation	6,085	756	6,841	277	7,118	6,603	25
2 - Production and innovation	5,565	2,150	7,715	464	8,179		23
3 - Macroeconomic policies and growth	6,617	4,000	10,617	2,711	13,328		39
4 – Financing for development	1,858	142	2,001	529	2,530		7
Total	20,125	7,048	27,174	3,981	31,155	6,603	94

Source: Proposed programme budget for the biennium 2016-2017 (A/70/6 (Sect.21 Sect.23 and Sect.35))

5. The audit covered the first three subprogrammes, which are described as follows:

Subprogramme 1: Linkages with the global economy, regional integration and cooperation

6. The International Trade and Integration Division is responsible for the implementation of the subprogramme with support from the ECLAC offices in Washington D.C., and Brasilia. The subprogramme's objective is to enhance regional integration and cooperation to strengthen the role of the Latin American and Caribbean region in international trade and the global economy.

Subprogramme 2: Production and Innovation

7. The responsibility for the implementation of this subprogramme is vested in the Division of Production, Productivity and Management. The subprogramme's objective is to foster structural change, productivity growth and innovation in Latin America and the Caribbean with due consideration for the new technological paradigms, sustainable development, gender equality and linkages with the global economy.

Subprogramme 3: Macroeconomic policies and growth

8. The responsibility for the implementation of the subprogramme rests with the Economic Development Division, supported by the ECLAC offices in Buenos Aires, Brasilia, Bogota and Montevideo. The subprogramme's objective is to achieve economically sustainable and equitable growth in Latin American and Caribbean countries by enhancing the design and implementation of suitable macroeconomic and long-term growth-enhancing policies.

9. An Executive Secretary at the Under-Secretary-General level leads ECLAC with support from two Deputy Executive Secretaries at the D-2 level. Each subprogramme is headed by a director at the D-1 level. The Programme Planning and Operations Division (PPOD) and the Division of Administration support ECLAC's programme of work. The Project Management Unit (PMU) of PPOD oversees the coordination and management of technical cooperation activities funded with extrabudgetary resources while those carried out with resources from RPTC and the Development Account are overseen by the Programme Planning and Evaluation Unit of the same Division.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

10. The objective of the audit was to determine whether ECLAC had established controls to effectively manage subprogrammes 1, 2 and 3 and their related technical cooperation activities.

11. This audit was included in the 2018 risk-based work plan of OIOS due to the risks that inadequate management of the subprogrammes and related technical cooperation activities may pose to the overall achievement of ECLAC's objectives.

12. OIOS conducted this audit from March to June 2018. The audit covered the period from January 2016 to December 2017. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in ECLAC, which included a review of: (a) work planning and performance monitoring of the three economic cluster subprogrammes, including for the mainstreaming of the Sustainable Development Goals (SDGs); (b) coordination between the economic cluster subprogrammes to complement the achievement of individual subprogramme objectives; (c) programming and management of technical cooperation activities/projects funded from (i) extrabudgetary resources under subprogramme 1, 2 and 3; (ii) RPTC; and (iii) Development Account, including support to Member States for the implementation of SDGs; (d) resource mobilization for extrabudgetary resources; and (e) administrative management of the three subprogrammes.

13. The audit methodology included: (a) interviews of key personnel, (b) review of relevant documentation, (c) analytical review of data, and (d) sample testing of control activities.

14. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

III. AUDIT RESULTS

A. Work planning and performance monitoring

Annual work plans were prepared and monitored

15. Heads of departments and offices are required to monitor expected accomplishments, as measured by the delivery of outputs and achievement of expected results scheduled in the approved programme budget.

16. PPOD oversaw the mechanisms for programme planning, reporting, monitoring and implementation of the activities of the subprogrammes. Work plans for the 2016-2017 biennium included information on: (a) planned activities; (b) timing of implementation; (c) funding sources; (d) cost estimate of each activity; and (e) responsible staff in charge of the activity. Risk surveys for the subprogrammes were also prepared and considered in the planning and implementation of the work plans.

17. The heads of each division met with their respective teams on a regular basis to discuss the status of implementation of the work plans and made revisions as needed. Subprogramme 1 had 68 planned activities and 65 or 96 per cent of them were implemented, while 2 activities were postponed for implementation in 2018 and 1 was terminated due to extrabudgetary funding shortage. All 51 planned activities in subprogramme 2 were implemented. There were 40 planned activities in subprogramme 3. Thirty-five or 88 per cent were implemented, two were carried forward and the remaining three were terminated. Of the terminated activities, one was replaced by another activity and two were terminated due to extrabudgetary funding shortage. The subprogrammes also conducted additional activities during the year.

18. Some planned activities of the subprogrammes were related to the SDGs but these were not clearly identified in the biennial work plans. Nevertheless, the Office of the Executive Secretary took the lead in the overall coordination of mainstreaming the 2030 Agenda of Sustainable Development in ECLAC's programme of work. ECLAC established an inter-divisional working group on the 2015-post development agenda and SDGs. The group met periodically to discuss and elaborate on proposals on how ECLAC could integrate its programme of work with the SDGs and support Member States in implementing them. Significantly, the group mapped the SDGs to individual focal points who were responsible to coordinate with relevant subprogrammes, and analyzed the required indicators for monitoring the sustainable development objectives.

19. ECLAC took steps to clearly identify the relationship between its planned activities and the SDGs, both in the preparation of its 2020 programme of work, where the contribution of each subprogramme to specific SDGs has been highlighted, as well as in the subprogramme's specific annual work plans, where each output is being related to a maximum of two specific SDGs. In light of action taken by ECLAC, OIOS did not make a recommendation on this matter.

ECLAC started collaborating with supreme audit institutions in promoting accountability on SDGs

20. The Economic and Social Council recognized the essential role that national oversight institutions can play in the implementation of the post-2015 development agenda. In its 2016 Abu Dhabi declaration, the International Organization of Supreme Audit Institution (INTOSAI) committed to make a meaningful independent audit contribution to the 2030 Agenda for Sustainable Development.

21. In this regard, in a previous audit (Report No. 2017/069), OIOS made a recommendation for ECLAC to collaborate with SAIs to support Member States to implement the SDGs. In April 2018, ECLAC invited the regional organization of INTOSAI, the organization of Latin America and Caribbean Supreme Audit Institutions, to participate in the Forum of the Countries of Latin America and the Caribbean on sustainable development. The purpose of their session was to share the experiences and best practices of SAIs in the region on Member States' efforts in improving their accountability for meeting SDGs and targets. Based on the actions taken, OIOS concluded that ECLAC had initiated collaboration with SAIs in the region for promoting accountability on SDGs.

Progress was made regarding the use of voluntary national reviews

22. General Assembly resolution 70/1 encouraged Member States to "conduct regular and inclusive reviews of progress at the national and sub-national levels, which are country-led and country-driven". Voluntary national reviews (VNRs) serve as the basis for the High-Level Political Forum (HLPF) to review progress on the implementation of SDGs and facilitate the sharing of experiences, successes, challenges and lessons learned, with the objective of accelerating the implementation of the 2030 Agenda.

23. The Office of the Executive Secretary conducted an in-depth analysis of all VNRs presented by countries of Latin America and the Caribbean at the HLPF. This analysis resulted in a publication, "Annual report on regional progress and challenges in relation to the 2030 Agenda for sustainable development in Latin America and the Caribbean", detailing the process of the VNRs as well as lessons learned and recommendations.

24. The publication underscored the challenges of measuring and following up the implementation of SDGs by strengthening national statistical systems and data systems designed for this purpose and developing new indicators; the means of implementation, particularly with respect to financing, technology, fair trade and access to information; and the achievement of intersectoral and interinstitutional coordination and the participation of all stakeholders, including businesses and civil society. The results of the analysis were also used to prepare the 2020-2021 programme of work of ECLAC as well as to orient the annual implementation plans of substantive divisions during 2018 and 2019, especially in the area of technical assistance and capacity building. OIOS concluded that ECLAC was making progress in using VNRs in programming its work.

B. Coordination

Coordination among subprogrammes in the economic cluster was adequate

25. ECLAC's 2016-2017 overall strategy for achieving its objectives required implementation of an integrated and multidisciplinary approach and effective coordination among its subprogrammes.

26. ECLAC subprogrammes coordinated their programmes of work in the preparation of their annual work plans. The directors of the economic cluster subprogrammes participated in the monthly directors' meeting in the Executive Secretary's Office. The subprogrammes also had ad hoc meetings with the Executive Secretary and met regularly as a cluster to collaborate on the production of their respective flagship publications where input was necessary from other subprogrammes on cross-cutting issues. They also communicated and met periodically to provide input on economic subjects included in the ECLAC-wide flagship publications.

27. Subprogramme 1's flagship publication, "Latin America and the Caribbean in the World Economy", presented an overview of changes and trends in international and regional trade relations. It

worked closely with Subprogrammes 2 and 3, which provided inputs in various chapters of the publication, to ensure consistency in the language used and the trade projections made. Subprogramme 2’s flagship publication on “Outlook for Agriculture and Rural Development in the Americas: A Perspective in Latin America and the Caribbean” reviewed trends and policy developments in the agricultural sector and provided updated statistical information. Similarly, Subprogrammes 1 and 3 provided inputs in various chapters of the publication. Subprogramme 3’s “Economic Survey of Latin America and the Caribbean” is prepared annually and published mid-year. The subprogramme reviewed, discussed and agreed on estimates of international trade (volume, prices) with Subprogramme 1, so that both divisions’ flagship publications used homogeneous data and transmitted common messages in this field. It also coordinated data and messages in the field of foreign direct investment with Subprogramme 2 since both divisions used different sources for the measurement and analysis of these investment flows for their respective flagship publications.

28. The economic cluster of subprogrammes also used data compiled by the Statistics Division in their various models and shared data on specific themes as requested by the latter. On its part, the Statistics Division managed the interdivisional group on SDGs and had a focal point to liaise with each subprogramme on SDGs. The Division was also part of a working group on SDGs measurements to coordinate the internal capacity in ECLAC.

29. OIOS, therefore, concluded that the coordination activities among the subprogrammes in the economic cluster were adequate.

C. Programming and management of technical cooperation activities

Programming and management of RPTC activities were adequate

30. As an implementing entity of RPTC activities, ECLAC is required to effectively manage RPTC funds allocated to it in implementing its programme of work.

31. To support the ECLAC programme of work, the RPTC programme budget for the 2016-2017 biennium estimated a provision of \$6,436,700. Subprogrammes 1, 2 and 3 were responsible for implementing \$3,452,600 or 54 per cent of this provision. Table 2 below shows the actual allotments, expenditures and utilization rate for the three subprogrammes.

Table 2: RPTC funding utilization rate in 2016-2017 biennium

Subprogramme	RPTC programme budget	Allotments after internal redeployment	Expenditures	Utilization percentage
Subprogramme 1	\$277,300	\$356,130	\$356,125	100.0
Subprogramme 2	\$463,900	\$856,220	\$855,783	99.9
Subprogramme 3	\$2,711,400	\$2,272,040	\$2,268,329	99.8

32. Member States requested technical cooperation assistance mainly through the Office of the Executive Secretary or directly from the concerned subprogramme. The Office of the Executive Secretary discussed with the relevant subprogramme to determine the relevance of the inquiries to ECLAC’s strategic objectives and the level and sources of the resources needed to provide the technical assistance. When requests were received directly by the subprogramme, they were forwarded to PPOD and the same assessment process was undertaken. RPTC funds were usually allocated to undertake technical cooperation activities and, in certain cases, the Member States contributed funds to supplement or solely finance the activities.

33. There was a 100 per cent utilization rate of the allocated RPTC resources. Substantive divisions and regional advisors prepared mission reports following each implemented activity, which were sent to the Office of the Executive Secretary and PPOD. The mission reports were consolidated into yearly reports providing details on the outcomes and impacts of the activities that had been carried out. ECLAC also prepared the programme performance report for the 2016-2017 biennium, which was sent to the Department of Economic and Social Affairs (DESA) for review. A review of travel and hiring of consultants funded from RPTC showed that they were undertaken in compliance with the travel and human resources management policies.

34. OIOS, therefore, concluded that the programming and management of RPTC activities were adequate.

Membership and terms of reference of the Project Review Committee were being reviewed

35. ECLAC project management policies and procedures called for periodically reviewing the terms of reference (ToRs) of the Project Review Committee (PRC).

36. Subprogrammes 1 to 3 implemented 36 projects funded from extrabudgetary resources and the Development Account totalling \$11.2 million during the biennium 2016-2017. For extrabudgetary funded projects, PPOD submitted proposals to the PRC that is chaired by the Executive Secretary and composed of the PPOD Director and other heads of substantive divisions. The PRC reviewed the proposals and provided necessary guidance. For Development Account projects, ECLAC requested its substantive divisions to submit proposals (concept paper) for projects based on instructions circulated by DESA as programme manager. PPOD reviewed the proposals and prepared evaluation matrices to facilitate the selection process. The projects selected by PRC were sent to DESA for review and pre-approval.

37. However, OIOS noted that the ToRs of the PRC were last updated in April 2013. There was no evidence that they had been reviewed and updated, despite a request included in the January 2018 meeting minutes of the PRC. Outdated ToRs could weaken effective oversight and management of technical cooperation projects by the PRC.

38. On 4 July 2018, the Executive Secretary updated the membership of the PRC for the 2018-2019 period, which included three new members and new roles for two members from the previous period. ECLAC planned to review the TORs of the PRC once the resource mobilization strategy is approved. In light of this, OIOS did not make a recommendation on this issue.

Extrabudgetary and Development Account funded projects were satisfactorily implemented

39. ECLAC policies and procedures defined processes and responsibilities for the implementation, monitoring and reporting of technical cooperation projects.

40. During biennium 2016-2017, the economic cluster subprogrammes implemented 32 projects totalling \$8,436,239 funded from extrabudgetary resources and 4 projects totalling \$2,799,500 funded from the Development Account. As shown in Table 3, OIOS reviewed nine of these projects amounting to \$7,165,968 in expenditures.

Table 3: Selected extrabudgetary and Development Account projects

Project	Start date	End date	Extension	Budget \$
A: Extrabudgetary				
Project 1	18/08/15	30/10/20	No	\$2,639,018
Project 2	22/09/15	22/09/18	Yes	\$248,600
Project 3	09/10/14	08/04/16	Yes	\$728,850
Project 4	14/07/16	31/12/16	Yes	\$300,000
Project 5	23/08/17	23/08/20	No	\$450,000
Sub-total:				\$4,366,468
B: Development Account				
Project 1	27/06/13	30/04/16	Yes	\$575,000
Project 2	24/05/13	31/12/16	Yes	\$754,500
Project 3	31/05/16	30/06/19	No	\$682,000
Project 4	11/05/16	30/06/19	No	\$788,000
Sub-total:				\$2,799,500
Total:				\$7,165,968

41. Regarding the extrabudgetary-funded projects, the review showed that: (i) the Executive Secretary signed the MOUs with each donor contributing to the projects and the subprogrammes implemented the projects in compliance with the related donor agreements; and (ii) PPOD monitored the implementation of the projects, reviewed their periodic technical/progress, annual progress and financial reports, which were submitted to donors as required in the donor agreements. The project progress reports contained detailed information on the major activities carried out during the period.

42. Projects 3 and 4 were completed and closed. The implementation of projects 1, 2 and 5 was ongoing. Projects 2, 3 and 4 required extensions for the completion of activities, which were properly justified and authorized both at the level of PPOD and donors. The audit results also showed that there were delays in the submission of technical and financial reports to donors in four projects. However, ECLAC, through its regular interaction with the donors, had communicated the expected delays in advance. ECLAC informed OIOS that there was no negative impact from the delays in terms of donor relationship since donors were involved in the approval of project extensions.

43. The review of the Development Account projects showed that: (i) concept notes and project documents were prepared; (ii) annual progress reports and final reports were submitted as required; (iii) evaluations of implemented projects were completed by external consultants; and (iv) PPOD monitored the implementation of evaluation recommendations. Two projects were fully implemented and two were ongoing. The implemented projects required extensions, which were properly authorized by DESA. The evaluation reports dated September 2016 and August 2017 had five and six recommendations, respectively. All five recommendations in the September 2016 evaluation report were implemented. The recommendations in the August 2017 evaluation report are still under implementation. PPOD has maintained an excel sheet to track the implementation of these recommendations.

44. OIOS assessed controls over the implementation, monitoring and reporting of extrabudgetary and Development Account projects as adequate.

D. Resource mobilization

ECLAC needed to expedite the approval of the resource mobilization plan

45. ECLAC's 2015 resource mobilization strategy recognizes the need to mobilize extrabudgetary resources to foster regional cooperation. According to its ToRs, the PRC is responsible for reviewing and approving the resource mobilization strategy.

46. The total extrabudgetary resources for ECLAC for the biennium 2016-2017 were estimated at \$25,508,900 with the actual expenditures amounting to \$18,070,000 or 71 per cent as per the draft report on technical cooperation activities prepared for the ECLAC session in May 2018. Of this estimate, \$6,905,700 or 27 per cent was for the three economic cluster subprogrammes. Extrabudgetary funding for subprogrammes 1 and 2 decreased from \$800,000 and \$4.8 million to \$760,000 and \$2.2 million, respectively, between biennia 2014-2015 and 2016-2017. Extrabudgetary funding increased for subprogramme 3 from \$3.5 million in the 2014-2015 biennium to \$4 million in 2016-2017 biennium.

47. The requirements for extrabudgetary resources were discussed at ECLAC's annual strategic planning meetings. At these meetings, ECLAC's senior management together with PPOD and the substantive divisions analyzed the thematic areas and divisions requiring further extrabudgetary resources. PMU subsequently prepared the extrabudgetary estimate based on an analysis of historical extrabudgetary data, donors' interests, economic environment and trends, and discussions with programme managers. This was included in Section 21 of the proposed programme budget for the biennium 2016-2017. ECLAC ensured that resources allocated to subprogrammes were aligned with the needs and demands of specific thematic areas. Additionally, PMU developed a draft resource mobilization plan for the secretariat in 2016. However, the draft resource mobilization plan was still under revision and had not yet been approved by the PRC.

48. An approved resource mobilization plan is necessary to mobilize funding from existing and prospective donors.

(1) ECLAC should expedite the approval of the resource mobilization plan.

ECLAC accepted recommendation 1 and stated that at its latest meeting, the PRC examined the draft strategy for extrabudgetary resources mobilization and requested that a revised draft, incorporating strategic guidelines, comments and observations provided during the meeting, be circulated for comments by members of the Committee with a view to adopting the strategy by September 2018. Recommendation 1 remains open pending receipt of the approved resource mobilization plan.

E. Administrative management of the subprogrammes

Subprogrammes needed to finalize recruitment of key vacant posts

49. According to the Secretary-General's bulletin on the organization of the secretariat of ECLAC, one of the functions of the Programme Planning and Management Division is to control the staffing table and ensure optimum use of resources.

50. The Director post at the D-1 level in subprogramme 1 was vacant during the 2016-2017 biennium. The post was temporarily filled by the Director of subprogramme 2, who also became the ad-interim Deputy Executive Secretary in November 2017. The vacancy notice for the post was not circulated because ECLAC was determining the programmatic benefits of integrating subprogramme 1 with subprogramme 2. In that

regard, ECLAC indicated its intention to review and update the job description of the post and seek its authorization. However, no formal action had been taken on the matter at the time of the audit.

51. The P-5 Senior Economic Affairs Officer post in subprogramme 3 was vacant since July 2017. The vacancy was advertised and the recruitment process is ongoing.

52. The current vacancies at the D-1 and P-5 positions could lead to a lack of strategic direction for the subprogrammes concerned.

(2) ECLAC should finalize the recruitment of key posts to perform its responsibilities effectively.

ECLAC accepted recommendation 2 and stated that the review and update of the job description of the D-1 post would be carried out by the Deputy Executive Secretary in the context of the current restructuring of ECLAC as part of the Secretary-General's reforms. The recruitment of the P-5 post is in the last stages. Recommendation 2 remains open pending receipt of evidence that the key posts have been filled.

IV. ACKNOWLEDGEMENT

53. 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
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STATUS OF AUDIT RECOMMENDATIONS

Audit of the management of the economic cluster of subprogrammes in the Economic Commission for Latin America and the Caribbean

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1	ECLAC should expedite the approval of the resource mobilization plan.	Important	O	Receipt of the approved resource mobilization plan	30 September 2018
2	ECLAC should finalize the recruitment of key posts to perform its responsibilities effectively.	Important	O	Receipt of evidence that the key posts have been filled	31 December 2018

¹ 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.

² 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.

³ C = closed, O = open

⁴ Date provided by ECLAC in response to recommendations.

APPENDIX I

Management Response

Management Response

Audit of the management of the economic cluster of subprogrammes in the Economic Commission for Latin America and the Caribbean

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	ECLAC should expedite the approval of the resource mobilization plan.	Important	Y	Project Management Unit	September 2018	ECLAC is already advancing in the approval process of its new resource mobilization strategy. On its meeting of 6 July 2018, ECLAC Projects Committee examined the Draft of the Strategy for Extrabudgetary Resources Mobilization and requested that a revised draft, incorporating the strategic guidelines, comments and observations provided during the meeting, be circulated by 23 July for comments by Members of the Committee with a view to adopting the Strategy by September 2018.
2	ECLAC should finalize the recruitment of key posts to perform its responsibilities effectively.	Important	Y	Economic Development Division / Deputy Executive Secretary / Human Resources Section / Office of the Executive Secretary	December 2018	The review and update of the job description of the post at the D-1 level in subprogramme 1 will be carried out as soon as possible by the Deputy Executive Secretary as direct supervisor of the D-1, and in the context of the current restructuring process of ECLAC as part of one of the streams of the SG Reform. The recruitment of the P-5 Senior Economic Affairs Officer post in Subprogramme 3 is in the last stages since the interviews already took place.

¹ 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.

² 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.