



INTERNAL AUDIT DIVISION

REPORT 2025/008

Audit of administrative processes in the Economic Commission for Latin America and the Caribbean

**The Commission needed to address gaps in
human resources management, including
workforce planning, and strengthen the
management of the extrabudgetary resources**

02 June 2025

Assignment No. AN2024-730-01

Audit of administrative processes in the Economic Commission for Latin America and the Caribbean

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of administrative processes in the Economic Commission for Latin America and the Caribbean (ECLAC). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management, and internal controls in managing the administrative processes in ECLAC. The audit covered the period from January 2022 to November 2024. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in administrative processes related to: (a) delegation of authority; (b) human resources management; (c) management of trust funds; (d) management of the renovation of the North Building; and (e) procurement and travel management.

ECLAC took steps to improve monitoring the implementation of delegation of authority by assigning a dedicated staff member to track key performance indicators. There were, however, gaps in human resources management, including an absence of workforce planning. The high vacancy rates and a slow recruitment process were partly attributable to liquidity constraints being experienced by the wider Secretariat. The acquisition planning and procurement management function needed strengthening. ECLAC also needed to increase compliance with the Secretariat's policy on official travel and standardize the travel request approval process. The role of the Project Management Unit in the implementation of extrabudgetary resources was not well clarified, leading to low fund utilization of multi-donor grants. Additionally, there was a lack of an implementation plan for resource mobilization, guidelines for vetting donors, and formal agreements to receive certain in-kind contributions. The renovation of the North Building had progressed well and was nearing completion, although a transition plan and archiving strategy were yet to be developed.

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

- Conduct workforce planning and develop a human resources management strategy as well as a recruitment plan to facilitate the timely processing of vacancies;
- Review the operations of the three multi-donor grants it manages on behalf of Member States and propose strategies to their governing bodies for more effective and efficient utilization of the funds;
- Enhance the management of extrabudgetary resources by developing a resource mobilization strategy implementation plan and guidelines for vetting donors and partners; and establishing formal agreements for receiving in-kind contributions;
- Develop a transitional plan and constitute a transitional team to facilitate the seamless handover and commissioning of the completed North Building;
- Prepare an archiving plan for the retention of records unique to the North Building renovation project;
- Strengthen the acquisition planning and procurement management function by developing a procurement plan and ensuring that all procurement officials obtain certifications; and
- Ensure compliance with the travel policy and standardize the travel request approval process applicable to all staff.

ECLAC accepted the recommendations, implemented one and initiated actions to implement the others. Actions required to close the recommendations are indicated in Annex I.

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Audit of administrative processes in the Economic Commission for Latin America and the Caribbean

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of administrative processes in the Economic Commission for Latin America and the Caribbean (ECLAC).
2. The Economic Commission for Latin America was established by the Economic and Social Council through resolution 106 (VI) on 25 February 1948 and began its operations that same year. Over time, the Commission's mandate expanded to include Caribbean nations, and by resolution 1984/67 of 27 July 1984, the Council officially renamed it ECLAC. ECLAC is headquartered in Santiago, Chile and has subregional headquarters in Mexico and Port of Spain, and country offices in five locations.
3. ECLAC's strategic objectives include fostering economic and social development in Latin America and the Caribbean, enhancing regional integration and cooperation, assisting Member States in implementing the 2030 Agenda for Sustainable Development, and providing technical assistance and capacity-building support to governments.
4. ECLAC is led by an Executive Secretary at USG level, supported by a Deputy Executive Secretary and a Director of Programme Management, both at the D-2 level. ECLAC is organized into 13 divisions, each tasked with implementing its respective subprogrammes. Additionally, ECLAC has established senior management committees to support the work of the Executive Secretary.
5. ECLAC has a total of 477 posts, 217 at professional and higher levels and 260 at the general service level. ECLAC funds are appropriated under Section 21 of the programme budget, with financial resources as shown in table 1. Additionally, ECLAC receives funding for technical cooperation activities from the regular programme for technical cooperation (Section 23) and the Development Account (Section 35). Separate funding was allocated for major construction and alteration projects under Section 33, including the renovation of the North Building, with an estimated project cost of \$19.1 million.

Table 1: ECLAC financial resources (in thousands of United States dollars)

Section 21	2023 expenditure	2024 approved	2025 estimate
Regular budget	60,664.1	64,364.2	63,870.9
Extrabudgetary	13,313.3	12,729	12,196.9
Total	73,977.4	77,093.2	76,067.8

Source: Proposed programme budget for 2025 - A/79/6 (Sect. 21)

6. ECLAC administrative processes are overseen by the Director, Programme Management, who supervises the responsible divisions: (a) Programme Planning and Operations Division, incorporating the Project Management Unit; and (b) Division of Administration, including the Human Resources Section, Procurement Unit and the Project Management Team responsible for the renovation of the North Building. A total of 105 posts managed the processes in 2024.
7. ECLAC systems for managing administrative processes were Umoja, including the Integrated Planning, Monitoring, and Reporting (IPMR) module, and Inspira. These systems were used to streamline operations related to human resources, procurement, travel and the management of extrabudgetary resources.

8. Comments provided by ECLAC are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

9. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management, and internal controls in managing the administrative processes in ECLAC.
10. This audit was included in the 2024 risk-based work plan of OIOS due to the risk that potential weaknesses in the administrative management of ECLAC could adversely impact its mandate implementation.
11. OIOS conducted this audit from November 2024 to January 2025. The audit covered the period from January 2022 to November 2024. Based on an activity-level risk assessment, the audit covered higher and medium risk areas in administrative processes related to: (a) delegation of authority; (b) human resources management; (c) management of trust funds; (d) management of the renovation of the North Building; and (e) procurement and travel management.
12. The audit methodology included: (a) interviews with key personnel, (b) review of relevant documentation, (c) analytical review of extrabudgetary project financial data; and (d) sample testing of selected transactions, including expenditures for the renovation of the North Building and procurement of goods and services.
13. OIOS evaluated the reliability of expenditure data by: (a) reviewing expenditure records in Umoja and substantiating a sample of payments; and (b) interviewing staff members knowledgeable about the payment data. Additionally, OIOS traced a random sample of payments to their source documents. Based on this assessment, OIOS determined that the data was sufficiently reliable.
14. The audit was conducted in accordance with the Global Internal Audit Standards.

III. AUDIT RESULTS

A. Delegation of authority

ECLAC took steps to strengthen monitoring of the exercise of delegation of authority

15. Under the accountability framework for delegation of authority, the Business Transformation and Accountability Division (BTAD) in the Department of Management Strategy, Policy and Compliance (DMSPC) tracks the implementation of delegated authorities using key performance indicators (KPIs). An evaluation of the 24 KPIs showed that ECLAC's performance varied across administrative areas. As of 12 December 2024, ECLAC performed below the desirable threshold in eight areas (including four of the six indicators relating to human resources management), showed fluctuating performance in nine, while achieving satisfactory results in seven.
16. The Director of Administration (DoA), as the administrator of the delegation of authority portal, shares a report with relevant managers monthly, listing delegations that are set to expire so they can be extended if necessary. However, due to other priorities, KPIs that had fallen below established thresholds were not systematically identified and corrective actions proposed. Since January 2025, ECLAC has appointed a dedicated staff member to actively monitor KPIs. Reporting directly to the DoA, the staff member flags any KPIs that fall below their thresholds, recommends corrective measures and follows up on their implementation.

B. Human resources management

Human resources planning needed improvement

- (a) Need to conduct workforce planning and timely process vacancies

17. ECLAC had not conducted a workforce planning exercise based on an analysis of its mandates and programme priorities to determine the competencies required of its workforce, which, in part, hindered its ability to ensure that it has the right number of people with the right skills in the right place at the right time to deliver on the related objectives. ECLAC management explained that its activities were framed within the UN 2.0 transformation framework proposed by the Secretary-General, which emphasizes data management, digital transformation, strategic foresight, innovation, and behavioural sciences. However, ECLAC had not translated in a comprehensive manner what this entailed for ECLAC to use for, among others, determining personnel requirements. Similarly, ECLAC had not developed a strategy or action plan to align staffing capacities with its operational requirements. Consequently, the vacancy rate and recruitment timelines were relatively high, and progress on the Secretary-General's priorities on gender parity and geographical diversity was lagging.

18. As of 30 November 2024, ECLAC had 74 vacancies, representing a 16 per cent overall vacancy rate, as shown in table 2. This comprised vacancy rates of 21 per cent for professional and higher grades and 11 per cent for general service grades. In comparison, the budgeted vacancy rates were 15 per cent and 5 per cent, respectively. This included nine senior management posts at P-5 to D-2, and five that were filled on a temporary basis for varying durations. The liquidity crisis restricted the number of recruitments that could be finalized, leaving several posts vacant. To address this, the Executive Secretary had asked all directors to identify the most critical vacant posts within their divisions. After consolidating the list, the Executive Secretary, in collaboration with the directors, would be prioritizing the filling of these positions subject to current liquidity constraints facing the Organization.

Table 2: Duration of vacancies

Grade	Number of days post vacant				Total no. of vacancies	No. of approved posts
	0-150	151-300	301-450	Over 450		
D-2			1		1	2
D-1			1		1	13
P-5		4	2	1	7	31
P-4	3		3	4	10	60
P-3	2	7	5	2	16	60
P-2	5	1	1	2	9	47
NO				1	1	3
G-7		2	4		6	80
G-6	4		2	3	9	89
G-5	5	1		4	10	65
G-4	2			1	3	22
G-3				1	1	4
Total	21	15	19	19	74	476

19. ECLAC recorded an average timeline of 215 days in 2022 that rose to 330 days in 2023 before decreasing to 268 days in 2024 (as of 8 December 2024). Overall, only 21 per cent of recruitments were completed within the 120-day target outlined in the guidelines. Recruitment processes in 2023 and 2024 were notably delayed by the liquidity crisis that led to a general freeze in recruitment for vacant non-essential positions, as hiring managers faced uncertainty about whether posts would be filled, prolonging

the evaluation and recommendation processes for candidates. Nevertheless, ECLAC is conducting an internal review of recruitment processes to identify areas where efficiency gains can be achieved, aiming to expedite recruitment and improve timelines further.

20. There were 44 staff retirements from 2022 to 2024, including several at the senior level (D-2 and D-1). Among the posts that became vacant due to staff retirements, four remain unfilled from 2022, seven from 2023, and four from 2024. ECLAC management explained that the Executive Secretary was reviewing the senior management structure of ECLAC, and changes will be reflected in the 2026 budget, based on the Executive Secretary's decisions.

(1) ECLAC should: (a) conduct workforce planning and develop a human resources management strategy based on its medium- to long-term strategy; and (b) develop a recruitment plan that facilitates timely processing of vacancies and anticipates future staffing needs.

ECLAC accepted recommendation 1 and stated that its implementation would depend on the impact of the UN80 initiative¹ and the current financing situation on the ECLAC structure and staffing.

(b) Steps were being taken to improve gender parity and geographical diversity

21. ECLAC was close to achieving gender parity at the P-2, P-3, and P-4 levels. However, efforts were still needed to close the gender gap at the P-5 and D-1 levels. For instance, as shown in table 3, out of 26 posts encumbered at the P-5 level, 38 per cent are held by women, while at the D-1 level, 27 per cent of the 11 posts are occupied by women. During the audit period, two women holding D-1 positions either retired or left the Organization, widening the gender gap. In August 2024, ECLAC re-launched the gender working group to support the implementation of the gender initiative aimed at closing the gender parity gap at the P-5 and D-1 levels, which remains a priority for senior management.

Table 3: Professional and higher grades staff post encumbrances by gender (as of 22 November 2024)

Grade	Number of staff			Percentage	
	Male	Female	Total	Male	Female
USG	1	0	1	100%	0%
D-2	1	0	1	100%	0%
D-1	8	3	11	73%	27%
P-5	16	10	26	62%	38%
P-4	31	29	60	52%	48%
P-3	26	25	51	51%	49%
P-2	24	19	43	56%	44%
Total	107	86	193	55%	45%

Source: dashboards.un.org

22. ECLAC workforce is predominantly composed of staff from Latin America and the Caribbean, who represent 71 per cent of the internationally recruited staff. This is followed by Western Europe and other regions at 23 per cent and the Asia-Pacific region at 4 per cent. ECLAC has indicated that efforts have been made to recruit staff from other regions, including revising language proficiency in job openings where fluency in Spanish is now listed as a desirable, instead of mandatory qualification. ECLAC indicated that the Office's location in Santiago also makes it unattractive to many potential candidates, as it is far from

¹ The UN80 Initiative is a reform agenda launched by the Secretary-General to enhance the Organization's effectiveness, agility, and relevance by improving efficiency, reviewing mandates, and exploring structural changes to address today's global challenges.

Europe, Asia, and Africa. Additionally, ECLAC noted that the Office lacks the financial resources to advertise positions in media outlets that could attract candidates from other regions.

Controls over the staff selection processes including recruitment of consultants and individual contractors were adequate

23. The administrative instruction on staff selection (ST/AI/2016/1) outlines the procedures applicable to the selection of staff. OIOS reviewed the selection processes for 20 out of 114 job openings and 20 out of 271 temporary job openings during the period from 2022 to 2024. This included a review of the composition of interview panels and inclusion of qualified female candidates, and an examination of comparative analysis reports and final selection memos. OIOS observed that controls over the recruitment processes were generally adequate.

24. Similarly, using judgmental sampling, OIOS reviewed 40 contracts (25 for consultants and 15 for individual contractors) totalling \$851,674, out of 3,371 contracts issued to 1,442 individuals with a total value of \$26.9 million, to assess the adequacy of controls over the selection and management processes. Consultants were mainly engaged to support subprogrammes in producing their deliverables including publications, workshops, seminars and training, while individual contractors' services included editing and translating publications. OIOS sample testing involved checking that each engagement had a shortlist of at least three candidates, and service completion was certified prior to payment. Additionally, analytical reviews of contract durations for the entire population indicated compliance with the administrative instruction. OIOS concluded that the controls were adequate.

ECLAC committed to reactivate and strengthen the operations of the staff-management committee

25. ECLAC established a staff-management committee (Comité Mixto Personal-Administración) that was required to meet quarterly to discuss matters affecting staff and management relations. According to its terms of reference, the committee consisted of four members appointed by the Executive Secretary and four members designated by the staff. The Deputy Executive Secretary served as the chairperson. The committee met three times in 2023 but only met in the first quarter of 2024 and has been inactive following the retirement of the Deputy Executive Secretary in March 2024. Some of the important matters discussed in the first quarter meeting included flexible working arrangements, response to COVID-19 and reactivation of the committee on environment. Other matters pending discussions and consensus included occupancy and space utilization in the renovated North Building. ECLAC committed to reactivate and strengthen the operations of the staff-management committee by appointing a new chairperson and holding regular meetings as outlined in the terms of reference.

C. Management of trust funds

26. Extrabudgetary resources at ECLAC are managed by the Project Management Unit (PMU), led by a Chief at the P-5 level, who reports to the Director of the Programme Planning and Operations Division. The extrabudgetary funds are received from three funding sources: Member States including multi-donor grants, the private sector, and others, including United Nations funds and programmes and development banks. Table 4 shows the funding received by ECLAC from January 2022 to November 2024.

Table 4: Funding received by type of donor between January 2022 to November 2024

Type of donor	2022 \$	2023 \$	2024 \$
Member States	9,921,908	6,302,219	5,744,263
Private sector	2,114,958	1,810,573	4,676,062
Others	1,026,335	916,624	1,132,689
Total	13,063,201	9,047,416	11,553,014

ECLAC should review the operation of multi-donor grants

27. Included in the above are three multi-donor grants that ECLAC currently manages on behalf of Member States, which together have a fund balance of \$5,540,874 as of November 2024, as shown in table 5.

Table 5: ECLAC multi-donor grants expenditures from January 2022 to November 2024 and fund balance

Multi-donor grant name	Authorized projects	Expenditure \$	Fund balance \$
Treaty on Access to Information, Public Participation, and Justice in Environmental Matters in Latin America and the Caribbean (ESCAZU)	-	-	125,010
Forum for East Asia-Latin America Cooperation (FEALAC)	1	649,638	1,946,028
Climate Adaptation and Comprehensive Response to Natural Disasters Fund of the Community of Latin American and Caribbean States (CELAC)	2	265,071	3,469,836
Total	3	914,709	5,540,874

28. The multi-donor grants have different governance arrangements and working modalities with ECLAC, as below:

- FEALAC and CELAC are governed by steering committees comprising Member States and donors, where applicable. They conduct resource mobilization and approve concept notes/project documents for ECLAC to implement or oversee project implementation.
- ESCAZU is governed by the conference of parties to the agreement. ECLAC acts as the secretariat of the fund and is responsible for making project proposals and implementing them following approval by the conference of the parties. ECLAC is responsible for mobilizing resources from Member States and other donors.

29. OIOS observed that the utilization of financial resources was generally low, particularly for FEALAC and CELAC, where project decisions are made by steering committees requiring consensus among Member States. Only one project was presented by a Member State and approved by the steering committee for FEALAC during the audited period, while two projects were approved for CELAC, and ESCAZU had no approved projects. ECLAC needed to review the use of these multi-donor grants and propose actions to their governing bodies for consideration.

- (2) ECLAC should review the operation of the three multi-donor grants it manages on behalf of Member States and propose strategies to their governing bodies for more effective and efficient utilization of the funds.**

ECLAC accepted recommendation 2 and stated that it would review the functioning of the multi-donor grants and propose strategies to their governing bodies for more effective and efficient use of funds.

There was a need to enhance the management of other extrabudgetary resources

30. While PMU was responsible for the management of extrabudgetary resources, it had not been generally empowered to mobilize resources or to vet donors and partnerships as these roles were being performed by the Office of the Executive Secretary. OIOS also noted important gaps in the management of other extrabudgetary resources, as further described below.

- (a) The resource mobilization strategy developed by ECLAC had no implementation plan

31. To support the mobilization of extrabudgetary resources, ECLAC launched a new resource mobilization strategy in August 2024. The strategy focuses on three main action areas: (a) strengthening relationships with existing partners, (b) expanding outreach to non-traditional partners, and (c) exploring new cooperation modalities. The strategy is monitored and evaluated regularly by the committee on projects. However, the strategy lacked a detailed implementation plan, including specific targets, timelines, and key performance indicators.

- (b) There were no written guidelines for accepting donors and partnerships

32. Part of the ECLAC resource mobilization strategy is to expand outreach to non-traditional partners. During the audit period, ECLAC received a total of \$8.6 million in extrabudgetary funds from private sector organizations. However, there were no internal guidelines in ECLAC to conduct an effective due diligence on new donors and partnerships, which poses a reputational risk if the partners did not act in consonance with United Nations values and principles. To address this risk, DMSPC outlined key issues to consider in developing guidelines for accepting voluntary contributions. This framework could serve as the foundation for ECLAC to develop comprehensive guidelines and a checklist for accepting voluntary contributions, tailored to local and regional conditions.

- (c) There was a need for ECLAC to enter into formal agreements to accept in-kind contributions and ensure the contributions are valued for financial reporting purposes

33. The Secretary-General's report on the progress on the renovation of the North Building (A/78/337), indicated receipt of in-kind contributions in the form of technical advice from different institutions during various phases of the project. However, ECLAC did not establish agreements with these institutions, which also did not provide details of the market value of the contributed services that is required for reporting in-kind contributions in the United Nations financial statements. ECLAC needed to issue a circular to guide programme officers in processing in-kind contributions.

- (3) ECLAC should enhance the management of extrabudgetary resources by: (a) developing a plan to implement its resource mobilization strategy; (b) developing guidelines to vet donors and partners providing voluntary contributions; and (c) preparing formal agreements for receiving in-kind contributions, including an estimate of their values, for financial reporting purposes.**

ECLAC accepted recommendation 3 and stated that it would develop specific guidelines to supplement applicable United Nations procedures on vetting donors and partners and receiving and valuing in-kind contributions.

ECLAC could benefit from using the Integrated Planning Management and Reporting System to better support project management

34. Apart from the three multi-donor grants discussed above, ECLAC also received a total of 105 grants from January 2022 to October 2024 amounting to approximately \$41.1 million from public and private sectors, which were earmarked for various projects in the region. OIOS selected 15 projects (totalling approximately \$23.3 million with budgets ranging from \$101,000 to \$2.6 million and implementation periods spanning two to four years) and reviewed: compliance with the established requirements in the contribution agreement; and completeness of data in the IPMR module.

35. Project managers complied with established agreements, which in most cases required the annual submission of narrative and financial reports to donors, and any unspent funds to be returned to the donor for completed projects.

36. In accordance with the guidance provided during the implementation of the IPMR module, ECLAC organized training sessions for staff involved in managing extrabudgetary projects, in coordination with the Controller's office, to ensure broad understanding and effective use of the system's enhanced functionalities. However, OIOS noted that not all features of the IPMR system, which supports the full project management lifecycle from planning to monitoring and reporting, were fully utilized. For example, the logical framework outlining the objectives, outcomes, and outputs of projects was either partially or not populated in 12 of the 15 projects reviewed. ECLAC stated that it planned to fully implement IPMR gradually throughout 2025 and 2026.

D. Management of renovation of the North Building

The renovation once commenced, progressed well and was nearing completion

37. The ECLAC premises currently consist of eight buildings, including the North Building. Following a capital strategic review in 2014, ECLAC decided to renovate the North Building to provide a fully renovated, code compliant, energy efficient and safe building for its staff and visitors. The total investment cost was estimated in 2014 at \$14.1 million, which was later revised to \$19.1 million in 2023. The renovation of North Street was approved in December 2017 but experienced delays due to the COVID-19 pandemic and the cancellation and re-issuance of the request for proposal (RFP) for the main construction. The initial RFP, issued in July 2021, was canceled due to insufficient competition and bid prices exceeding the pre-bid estimate by 65 per cent. As a result, a multi-stage RFP was developed and approved in March 2022, leading to the contract award for the main construction in April 2023.

38. The Executive Secretary of ECLAC is the Project Owner and is supported by a Project Executive who is the Director of Administration and a dedicated project management team comprising a Project Manager who is a National Professional Officer, Procurement Officer at P-3 level and two General service Project Assistants. All project posts were fully encumbered up to 31 December 2024. In addition, the project management team was supported by the lead consulting firm and an independent technical inspection firm.

- a) The construction contract for the main work and other procurement activities was appropriately concluded

39. Similar to other ongoing construction projects in the Secretariat at the time, the Assistant Secretary-General for Supply Chain Management approved ECLAC's request to adopt the multi-stage request for proposal (RFP) with dialogue approach, based on certain conditions. This was after the initial RFP exercise did not result in a commercially viable response. ECLAC met all the conditions set, including the appointment of a probity monitor who participated in the whole process. On 14 April 2023, the Headquarters Committee on Contracts unanimously supported the recommendation to award the contract for a period of 18 months in the not-to-exceed (NTE) amount of Chilean Peso (CLP) 12,979,461,678 (equivalent to \$15,751,774) pursuant to Financial Rule 105.15 (b) – qualified, most responsive proposal. OIOS reviewed the procurement process and concluded that the established controls, including the participation of staff from the Procurement Division, Global Asset Management Policy Service and the probity monitor, provided assurance on the fairness of the process.

- b) Project construction expenditures were paid in accordance with contracts and were adequately supported

40. Cumulative construction expenditures from January 2022 to October 2024 amounted to approximately \$10.4 million. As shown in table 6, the expenditure from the start of the project up to October 2024 amounted to \$13 million. OIOS sampled 10 invoices totalling \$5.4 million or 52 per cent for detailed testing and noted that they were all properly authorized and in line with approved project scope. All payments were made at less than 5 per cent retention.

Table 6: Available project budget (in thousands of United States dollars)

	Total approved project budget	Actual expenditure up to October 2024	Available budget for the remaining of the project
Programme budget section 33			
Construction costs	14 244.5	9 731.1	4 513.4
Professional services	878.2	658.1	220.1
Escalation	–	–	–
Contingency	2 327.1	1 030.2	1 296.9
Subtotal, section 33	17 449.8	11 419.4	6 030.4
Programme budget section 21			
Project management	1 687.2	1 585.4	101.8
Grand total	19 137.0	13 004.8	6 132.2

- c) There is a scheduled delay of approximately three months

41. As per signed construction contract, the project was scheduled to attain substantial completion by end of December 2024. The latest construction schedule maintained by the project management team and prepared by the contractor and the lead consulting firm indicated that substantial completion would be achieved in March 2025. The extension will not result in additional cost to the project as this will be funded from within approved resources. The current duration of the contracts of the project management and technical inspection teams will allow for smooth project closeout activities, handover of the building and support ECLAC in the initial stages of the defects liability period. The project management team's contract expires in May 2025, while the technical inspection team's contract expires in April 2025. The contract for the lead consulting firm was under negotiation for extension until May 2025.

d) The stakeholder committee was not operational by the time construction commenced

42. A stakeholder committee was established in 2018 to assist the Executive Secretary to proactively manage the project by providing oversight and guidance. However, OIOS noted that the committee had no terms of reference and there was no record of any meetings held though it was recorded in the 2023 report of the Secretary-General on the progress of the North Building renovation, that the committee was briefed on various aspects of the project. By the time construction commenced in June 2023, the committee was not operational as most members had either changed functions or retired.

43. The Project Executive explained that the project management team continued to seek advice from divisional directors as project work progressed including communicating the space utilization strategy that will be operational following completion of the renovation. At the time of audit fieldwork, OIOS noted that the project was well advanced with only two months of construction schedule remaining before substantial completion in March 2025. Therefore, a recommendation for the resumption of the operations of the stakeholder committee as required by the guidelines for construction projects in the Secretariat may not add value.

Need for a transitional and an archiving plan

44. ECLAC did not prepare a transitional plan outlining the key activities required after substantial completion and handover of the building and its systems. A comprehensive transitional plan, including the forming of a designated transitional team, should be developed to address any risks associated with a seamless takeover of the completed building from the contractor and orderly handover of systems and equipment to organizational units that will be responsible for operating and maintaining the building and its systems. These include the Facilities Management Unit, Information and Communications Technology Section and Safety and Security Section. Training on operating the equipment should also be conducted well before the contractor and suppliers of the systems vacate the premises.

45. Similarly, ECLAC did not prepare an archiving plan for the various documents and systems to be handed over following substantial completion. While some of the “as built and project closeout documents” are needed for operational purposes, most of them will require to be safely stored away, digitally or otherwise to allow for access to them. Records unique to construction projects such as drawings, specifications, operations and maintenance manuals should be archived as they will be needed for future operations. The project management team could seek the support of the Archives and Records Management Section at Headquarters and draw on lessons learned on other capital construction projects such as the capital master plan at the Headquarters in New York.

(4) ECLAC should develop a transitional plan and constitute a transitional team with clear roles and responsibilities to facilitate the seamless handover and commissioning of the completed North Building and related systems and equipment.

ECLAC accepted recommendation 4 and stated that it had created a transitional plan and formed cross-functional teams with defined roles and responsibilities to manage seamless handover of the completed North Building and related systems and equipment. The technical inspection team will support these teams for the first year of operations.

(5) ECLAC should prepare an archiving plan for the retention of records unique to the North Building renovation project to support future maintenance operations.

ECLAC accepted recommendation 5 and stated that technical information and construction models for the North Building were under review. Additionally, an archiving strategy was being developed for retaining, managing, accessing, and updating documentation within a single database.

E. Procurement and travel management

Need to strengthen the procurement and contracts management functions

46. The total procurement of goods and services managed by ECLAC increased from \$8.7 million in 2022 to \$17.9 million in 2024 (as of November 2024), as shown in table 7. This growth was driven by the renovation of the North Building and service level agreements signed with United Nations offices and agencies. ECLAC provided procurement services for purchase orders over \$10,000 to all offices of four agencies² located in Latin America and the Caribbean, as well as to five agencies based in Chile.³ A review of the procurement management frameworks at ECLAC identified several areas needing improvement, as outlined below:

Table 7: Purchase orders by request category

Category	2024 \$	2023 \$	2022 \$	Total \$
ECLAC	7,306,804	9,072,291	8,482,952	24,862,047
North Building	9,286,013	5,688,733	1,004	14,975,750
United Nations offices and agencies	1,372,508	492,695	247,841	2,113,044
Total	17,965,326	15,253,719	8,731,797	41,950,842

(a) The capacity of the procurement function has been enhanced

47. The Procurement Unit's organizational structure comprises a Chief Procurement Officer (CPO) at the P-3 level, 11 general service staff members based in Chile, Trinidad and Tobago and Mexico. Additionally, the Unit included a temporary Procurement Officer at the P-3 level, dedicated to the North Building renovation project, with the post funded until December 2024. The CPO retired in August 2024, leaving the post vacant since then. In the absence of a CPO, the G-7 staff member has been serving as the officer-in-charge of the unit. The need for a robust procurement function has become increasingly critical due to the growing demand for procurement services provided by ECLAC to agencies and resident coordinator offices. This expansion has significantly added to the workload and complexity of procurement activities. Using funds recovered from these services, ECLAC has been able to recruit two general service staff members, to manage the increased demand for procurement services.

(b) There was a need to develop a procurement plan

48. ECLAC did not develop a procurement plan in 2023 and 2024 as the person allocated to support this task was reassigned to manage the increasing workload related to the service delivery procurement processes. Additionally, the two staff members who had completed training on the Supply Chain Planning Tool (SCPT), which was used to develop the procurement plan, were no longer working at ECLAC. The Procurement Unit has already informed the Procurement Division of the need for SCPT training. On 10 December 2024, the Procurement Unit requested all divisions to complete an Excel template listing goods

² Resident Coordinator offices, Office of the High Commissioner for Human Rights, United Nations Information Centres, and United Nations Environment Programme

³ Food and Agriculture Organization, United Nations Development Programme, International Labour Organization, United Nations Children's Fund and United Nations Educational, Scientific and Cultural Organization (UNESCO)

and services to be procured in 2025, but it did not constitute a procurement plan. The development of a procurement plan is crucial as it enhances efficiency, reduces costs, mitigates risks, and ensures better sourcing, timely execution, and effective resource management.

(c) Procurement officers were required to obtain procurement certification

49. As outlined in the Procurement Manual, all procurement officials must be certified by an internationally recognized procurement authority, such as Chartered Institute of Procurement and Supply (CIPS), at Level 4. However, as of December 2024, only 2 out of 10 staff members obtained the CIPS certification. ECLAC attributed this gap to high staff turnover within the unit and financial constraints that have limited funding for training and certifications. ECLAC has indicated that procurement officials will be enrolled in the certification program in 2025. Obtaining appropriate certification, such as through CIPS, ensures that procurement officials possess the necessary knowledge, skills, and ethical foundation to perform their roles effectively.

(d) ECLAC undertook to revise the composition of the local committee on contracts

50. The latest composition of the ECLAC local committee on contracts was issued on 14 December 2022 and included 10 members. The administrative instruction on review committees for contracts (ST/AI/2011/8) specifies that the maximum term for members is three years, renewable once, for a total of six years. However, four members of the committee have exceeded this maximum term. Having committee members serve beyond the established term limits can compromise the committee's independence and potentially affect the quality and impartiality of its decisions. ECLAC stated that it had reviewed the list of LCC members and was contacting Headquarters to provide necessary training for potential members.

(6) ECLAC should strengthen the acquisition planning and procurement management function by: (a) developing a procurement plan; and (b) ensuring that all procurement officials obtain the procurement-related certifications as required.

ECLAC accepted recommendation 6 and stated that it had initiated the process to develop the 2025 procurement plan. It had also asked requisitioners to complete the Supply Chain Planning Tool training and enrolled procurement staff without the CIPS certification in the course, with full certification expected by the end of 2026.

ECLAC needed to increase compliance with the Secretariat's policy on official travel and standardize the travel request process

51. Between January 2022 and October 2024, total travel expenditure amounted to \$16.7 million, with official travel accounting for 93 per cent of the total cost. According to the administrative instruction on official travel (ST/AI/2013/3), all travel requests for individuals traveling on behalf of the United Nations must be submitted with a minimum of 21 calendar days before the start of official travel.

52. OIOS noted that the average compliance rate with 21 days advance request policy was approximately 62 per cent during the audit period. Delays in event planning and late nomination of travellers for meetings and seminars were cited as the main reasons for noncompliance with the administrative instruction, which can lead to increased airfare costs. OIOS observed that over the years, timely submission of travel requests improved progressively: in 2022, requests were submitted an average of 10.9 days in advance, in 2023, 14.4 days, and in 2024 (as of October 2024) 18.9 days. However, additional actions were needed for better compliance.

53. If a travel request does not meet the requirement to be submitted at least 21 calendar days prior to the start of official travel, the traveller must provide a justification signed and authorized by the Director of the respective division. For group travel, such as workshops or seminars, the process is similar, with the exception that an event-supporting staff member provides a list of participant names, travel dates, and destinations. OIOS reviewed 15 travel requests, focusing on their approval processes and, where applicable, the justifications for not submitting the requests at least 21 days before the travel date. The results indicated that the methods of approval varied. In some cases, staff completed a travel request that was approved by the Director of the respective division. In others, approval was granted via email or through the submission of an agenda reflecting participation in a mission. There were also instances where Directors were not required to submit any form of travel approval. Additionally, there were three cases in which the Director of the Division, who was traveling, signed their own justification for not complying with the 21-day rule.

(7) ECLAC should take action to: (a) comply with the travel policy requiring submission of travel requests at least 21 days in advance of actual travel; and (b) standardize the travel request approval process applicable to all staff.

ECLAC accepted recommendation 7 and stated that it had developed quaterly division-level reports of underforming divisions and that the documentation required for certification and approval of travel requests had been standardized..

IV. ACKNOWLEDGEMENT

54. 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.

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

Audit of administrative processes in the Economic Commission for Latin America and the Caribbean

Rec. no.	Recommendation	Critical ⁴ / Important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
1	ECLAC should: (a) conduct workforce planning and develop a human resources management strategy based on its medium- to long-term strategy; and (b) develop a recruitment plan that facilitates timely processing of vacancies and anticipates staffing needs.	Important	O	Receipt of evidence of workforce planning, completed human resources management strategy and recruitment plan.	30 June 2026
2	ECLAC should review the operation of the three multi-donor grants it manages on behalf of Member States and propose strategies to their governing bodies for more effective and efficient utilization of the funds.	Important	O	Receipt of evidence of the review of the operation of the multi-donor grants and the submission of proposed strategies for more effective and efficient use of funds to each governing body.	31 December 2025
3	ECLAC should enhance the management of extrabudgetary resources by: (a) developing a resource mobilization strategy implementation plan; (b) developing guidelines and vets donors and partners providing voluntary contributions; and (c) preparing formal agreements for receiving in-kind contributions, including an estimate of their values, for financial reporting purposes.	Important	O	Receipt of a plan to implement the resource mobilization strategy, donor and partner vetting guidelines, and formal agreements for in-kind contributions.	31 December 2025
4	ECLAC should develop a transitional plan and constitute a transitional team with clear roles and responsibilities to facilitate the seamless handover and commissioning of the completed North Building and related systems and equipment.	Important	O	Receipt of a transitional plan and the formal establishment of a transitional team to facilitate handover and commissioning of the completed North Building.	31 May 2025

⁴ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

⁵ Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

⁶ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁷ Date provided by ECLAC in response to recommendations.

STATUS OF AUDIT RECOMMENDATIONS

Audit of administrative processes in the Economic Commission for Latin America and the Caribbean

Rec. no.	Recommendation	Critical ⁴ / Important ⁵	C/ O ⁶	Actions needed to close recommendation	Implementation date ⁷
5	ECLAC should prepare an archiving plan for the retention of records unique to the North Building renovation project to support future maintenance operations.	Important	O	Receipt of a finalized archiving plan for the retention, management, and accessibility of records.	30 June 2025
6	ECLAC should strengthen the acquisition planning and procurement management function by: (a) developing a procurement plan; and (b) ensuring that all procurement officials obtain the procurement-related certifications as required.	Important	O	Receipt of the procurement plan and proof that procurement officials have obtained the required procurement related certifications.	31 December 2026
7	ECLAC should take action to: (a) comply with the travel policy requiring submission of travel requests at least 21 days in advance of actual travel; and (b) standardize the travel request approval process applicable to all staff.	Important	C	Action complete.	Implemented

APPENDIX I

Management Response

Management Response

Audit of administrative processes in ECLAC

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1	ECLAC should: (a) conduct workforce planning and develop a human resources strategy based on its medium- to long-term strategy; and (b) develop a recruitment plan that facilitates timely processing of vacancies and anticipates staffing needs.	Important	Yes	Chief, Human Resources, DOA	a) June 2026 b) December 2025	Implementation dependent on clarity of the impact of the UN80 Initiative and current financing situation in the ECLAC structure and staffing.
2	ECLAC should review the operation of the three multi-donor grants it manages on behalf of Member States and propose strategies to their governing bodies for more effective and efficient utilization of the funds.	Important	Yes	Chief, Project Management Unit, Programme Planning and Operations Division	December 2025	ECLAC will conduct a review of these multi-donor grants and propose strategies to their governing bodies for more efficient use of funds.
3	ECLAC should enhance the management of extrabudgetary resources by ensuring that it: (a) develops a resource mobilization strategy implementation plan; (b) develops guidelines and vets donors and partners providing voluntary contributions; and (c) prepares formal agreements for receiving in-kind	Important	Yes	Chief, Project Management Unit, Programme Planning and Operations Division	December 2025	ECLAC follows established rules and procedures for the Secretariat regarding the vetting processes of donors and partners providing voluntary contributions. ECLAC will develop specific guidelines in support of those already in place and strengthen the information regarding

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Management Response

Audit of administrative processes in ECLAC

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	contributions, including an estimate of their values for financial reporting purposes.					in kind contributions including the quantification of those contributions for reporting purposes.
4	ECLAC should develop a transitional plan and constitute a transitional team with clear roles and responsibilities to facilitate the seamless handover and commissioning of the completed North Building and related systems and equipment.	Important	Yes	Project Manager, General Services, DOA	February-May 2025	ECLAC has taken action in line with the recommendation by developing a transitional plan and organizing coordinated transition teams comprising personnel from FMU, STIC, and SSS, along with their respective specialized teams. These teams have been assigned clear roles and responsibilities to oversee the effective reception of each system and to provide the necessary operational training. The technical inspection team will support these teams following substantial completion, accompanying them for the first 12 months of operations to coordinate after-sales services and monitor operations.
5	ECLAC should prepare an archiving plan for the retention of records unique to the North Building renovation project to support future maintenance operations.	Important	Yes	Project Manager, General Services, DOA	March-June 2025	Action has been initiated, and the technical information and construction models are under review. Additionally, an archiving strategy is being developed to ensure retention, management, access, and updating of documentation related to the North Building project. This strategy includes the implementation of a single database with appropriate access for ECLAC's operational

Management Response

Audit of administrative processes in ECLAC

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
						stakeholders, thereby supporting future maintenance operations.
6	ECLAC should strengthen the acquisition planning and procurement management function by: (a) developing a procurement plan; and (b) ensuring that all procurement officials obtain the procurement-related certifications as required.	Important	Yes	Chief, Procurement, DOA	a) December 2025 b) December 2026	(a) Procurement Plan 2025 was requested from all the requisitioners by completing a spreadsheet with their planned requirements, while they complete the SCPT training and obtain their certifications. (b) The staff pending for procurement certifications in CIPS have been enrolled to complete the assessments during 2025 and 2026. We expect to have them certified by the end of 2026.
7	ECLAC should take action to: (a) comply with the travel policy requiring submission of travel requests at least 21 days in advance of actual travel; (b) standardize the travel request approval process applicable to all staff.	Important	Yes	Associate Administrative Officer, DOA	a) ongoing b) March 2025	(a) ECLAC is reinforcing policy compliance by generating quarterly division-level reports and sharing them with directors of underperforming divisions. (b) The documentation required for certification and approval of Travel Requests has been standardized in coordination with the TSAs.