



Governing Body

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Programme, Financial and Administrative Section
Programme, Financial and Administrative Segment

PFA

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SECOND ITEM ON THE AGENDA

Matters relating to the Joint Inspection Unit (JIU): Reports of the JIU

Purpose of the document

The Governing Body is invited to discuss the recommendations addressed to the ILO in the eight reports of the JIU summarized in this document and to provide guidance on any of those recommendations.

Relevant strategic objective: Not applicable.

Policy implications: Subject to guidance from the Governing Body.

Legal implications: None.

Financial implications: Subject to guidance from the Governing Body.

Decision required: Subject to guidance from the Governing Body.

Follow-up action required: Subject to guidance from the Governing Body.

Author unit: Bureau of Programming and Management (PROGRAM).

Related documents: This paper is submitted annually in accordance with the procedure established in November 2005 (see GB.294/PV, paragraph 210). GB.316/PFA/2/REF provides information on the status of the ILO's follow-up on each recommendation.

Report of the JIU for 2011 and programme of work for 2012

1. This JIU report provides information, inter alia, on the implementation of the strategic framework 2010–19; progress on reform and the way forward; reports prepared in 2011; and follow-up to recommendations by the participating agencies. It also presents the reviews planned for 2012, including on seven issues that concern the ILO and other United Nations (UN) system organizations, namely: reference checking in staff recruitment processes; lump-sum payments in lieu of entitlements; the inter-agency mechanism of UN-Oceans; flexible working arrangements; use of long-term agreements in procurement; use of enterprise resource planning systems; and joint programming and administrative arrangements of operational activities.
2. Annex V of the report indicates that the ILO's share in the costs of the JIU for 2012 accounts for 2 per cent among the participating organizations. This share amounts to US\$128,364.
3. The UN General Assembly considered this JIU report and adopted resolution 66/259 in April 2012, which requests the executive heads of participating organizations, including the ILO, to fully comply with the statutory procedures for consideration of the JIU reports by legislative organs, particularly with respect to the follow-up to the JIU recommendations.

Other JIU reports

4. In accordance with the established procedure, the Office submits to the Governing Body annually a summary of JIU reports containing recommendations addressed to the ILO, either specifically or among the UN system organizations, along with the comments of the United Nations System Chief Executives Board for Coordination (CEB) and the Office. There are eight such reports to submit to the current session, as summarized in paragraphs 6–29 below.
5. In light of the discussions at the 312th Session of the Governing Body (November 2011) and in line with the JIU statutory procedures and the UN General Assembly resolution mentioned in paragraph 3 above, the Office has taken measures to enhance collaboration with the JIU. Information is now available tracking the ILO's follow-up status for each JIU recommendation. This information is presented in a separate reference document available on the Governing Body website.¹ A JIU web link is also provided on the Governing Body website, under the Programme, Financial and Administrative Section,² to facilitate direct consultation on all the JIU reports as they are published, irrespective of whether or not they are included in the annual Governing Body document on JIU reports.

¹ GB.316/PFA/2/REF (in English only) at <http://www.ilo.org/gb/lang--en/index.htm>.

² <http://www.ilo.org/gb/GBSessions/GB316/pfa/lang--en/index.htm>.

Review of enterprise risk management in the UN system: Benchmarking framework (JIU/REP/2010/4 and A/65/788/Add.1)

6. Two recommendations for ILO action are included in the report, concerning the adoption of JIU-proposed benchmarks in line with best practices on enterprise risk management. Both of them are accepted. One is already applied and the other is in progress.
7. The members of the CEB, while welcoming the report in general, noted some concerns about a number of benchmarks that the JIU proposes, particularly those with respect to the implementation of enterprise risk management that have resource implications, financial or human. They noted the challenge of identifying dedicated resources for the projects in this area in an environment of budget constraints.
8. The Office concurs with the CEB's comments.

The audit function in the UN system (JIU/REP/2010/5 and A/66/73/Add.1)

9. Sixteen recommendations are included in the report for ILO action, of which 14 have been accepted and are mostly implemented. Two recommendations are under consideration, related to the review of the mandate of the ILO Independent Oversight Advisory Committee.
10. The CEB members expressed appreciation for the thorough analysis of the audit functions of the UN system organizations. They generally concurred with many of the recommendations, and several of them noted that many of them were already in line with established practice.
11. The Office largely aligns itself with the CEB's comments. Among several specific observations noted, the Office found the basis of the JIU's analysis for determining a sufficient level of audit staff to be oversimplified. The internal audit system conducts audits based on the risk profile – rather than the budget – of the Organization. The ILO's risk profile is significantly different from that of more development-oriented agencies. Payroll, the ILO's main area of expenditure, is generally deemed to be low risk. The JIU approach does not take these factors into account.

Preparedness of UN system organizations for the International Public Sector Accounting Standards (IPSAS) (JIU/REP/2010/6 and A/66/308/Add.1)

12. Three recommendations are included in the report for ILO action. Two of them are being implemented; these relate to the regular reporting on IPSAS implementation status and the provision of adequate resources for IPSAS transition. The third recommendation, which concerns the application of the set of 16 best practices identified in the report, has not been accepted due to financial constraints. In this regard, the Office has instead adopted a phased approach.
13. The CEB members welcomed the analysis and the recommendations contained in the report, noting that many agencies have either adopted, or are in the process of adopting,

many of the proposed benchmarks. The members expressed concern with the relevance or feasibility of some of the 16 best practices proposed.

14. The Office concurs with the CEB's comments. The Office provides regular reports on IPSAS implementation to the Governing Body, including through the replies to the External Auditor's annual report. It also provides an update at each session of the Independent Oversight Advisory Committee. Full IPSAS implementation will be achieved in 2012.

Policies and procedures for the administration of trust funds in the UN system organizations (JIU/REP/2010/7 and A/66/348/Add.1)

15. Ten recommendations are included in the report for ILO action. However, one of them is not relevant to the ILO since it is actually addressed to the UN Secretary-General. Of the nine recommendations applicable to the ILO, eight have been accepted and are either being implemented or in progress. The recommendation on cost-recovery policies is under consideration.
16. The CEB members welcomed the review and generally supported the implementation of the recommendations included in the report.
17. The Office concurs with the CEB's comments and will continue making progress in this area under Governing Body guidance.

Inter-agency staff mobility and work-life balance in the organizations of the UN system (JIU/REP/2010/8 and A/66/355/Add.1)

18. Four recommendations are included in the report for ILO action. Three are being implemented, while the one concerning the internal rules on the treatment of candidates from other UN organizations is under consideration.
19. The CEB members noted the overlap of the JIU review with the ongoing discussions and initiatives within various human resources forums, notably the International Civil Service Commission (ICSC) and the Human Resources Network of the CEB. They further noted that the majority of the recommendations issued by the JIU were being acted upon by responsible entities.
20. The Office fully concurs with the CEB's comments and considers that, in the future, such overlap of work should be avoided by ensuring better coordination and a clear distribution of responsibilities between the JIU and other concerned entities.

Review of the Medical Service in the UN system (JIU/REP/2011/1 and A/66/327/Add.1)

21. Three recommendations are included in the report for ILO action, all of which are under consideration. They concern the appointment of a focal point on occupational safety and health policies and procedures; the adoption of appropriate occupational safety and health

standards in line with the UN Minimum Operating Safety and Security Standards; and the implementation of an electronic system to manage staff members' medical records.

22. The CEB members generally support the report and agree with its strategic observations and far-reaching recommendations, as far as they serve to stimulate discussion and action to improve system-wide occupational health structures. Meanwhile, they expressed a number of specific reservations that require clarification or further elaboration, including on the effectiveness of outsourcing staff counselling services to external providers.
23. The Office concurs with the CEB's comments. As regards the recommendation on the use of electronic systems to capture and archive medical records, the Office considers that care should be taken to ensure the best available standards of medical confidentiality, especially when transferring any such records electronically, in addition to the cost-benefit considerations.

South–South and triangular cooperation in the UN system (JIU/REP/2011/3 and A/66/717/Add.1)

24. Two recommendations are included in the report for ILO action. One concerns the establishment of an internal mechanism to develop South–South and triangular cooperation (SSTC) policy and strategy and to ensure internal and inter-agency coordination. This is being implemented. The other recommendation concerns regular budget and extra-budgetary resource arrangements for SSTC. This is under consideration.
25. The CEB members were generally supportive of the recommendations, while noting that the report tended to focus more on shortcomings than on uncovering and highlighting best practices and lessons learned. They indicated that the report could have provided a more detailed analysis of how the UN system could best scale up its work in this area so as to be responsive to country needs, for the benefit of both providers and receivers of SSTC.
26. The Office concurs with the CEB's comments.

Accountability frameworks in the UN system (JIU/REP/2011/5 and A/66/710/Add.1)

27. Five recommendations are included in the report for ILO action. Four are almost all implemented. The fourth recommendation requests the Director-General to announce his decisions on disciplinary measures imposed on staff by publishing lists of the offence and measures taken, while ensuring anonymity of the staff concerned. This is not accepted, considering the risk of compromising the duty of the Organization to its staff members, both in relation to respect for their dignity and the related duty of confidentiality.
28. The CEB members commended the JIU on the report, which provided useful information on benchmarking accountability, and they endorsed the thrust of the recommendations. They took note of the JIU-proposed general framework of accountability and underlying principles that can be adapted to each organization's specific situation.
29. The Office has already taken measures to address the thrust of the recommendations. In most cases, it has an appropriate accountability framework and the associated mechanisms in place. While it welcomes the report in general, it did not find much added value in the analyses and the recommendations issued.

Proposed point for discussion

30. The Governing Body is invited to provide guidance on any of the 44 recommendations addressed to the ILO in the eight JIU reports as summarized in this document.