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Programme, Financial and Administrative Section
Audit and Oversight Segment

PFA

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EIGHTH ITEM ON THE AGENDA

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

Purpose of the document

This paper summarizes the annual report of the JIU for 2017, its programme of work for 2018 and eight reports published in 2016 and 2017 on the following United Nations system-wide issues: support for small island developing States (SIDS); the internal audit function; safety and security; knowledge management; donor-led assessments of the UN system organizations; air travel policies; follow-up to the JIU reports and recommendations by the UN system organizations; and results-based management.

The Governing Body is invited to provide guidance on the information contained in this document and on any of the recommendations addressed to the ILO in those eight JIU reports, as well as on the status of follow-up to the recommendations presented to the Governing Body in the past three years (see the proposed point for discussion in paragraph 29).

Relevant strategic objective: None.

Main relevant outcome/cross-cutting policy driver: Enabling outcome B: Effective and efficient governance of the Organization.

Policy implications: Subject to guidance from the Governing Body.

Legal implications: Subject to guidance from the Governing Body.

Financial implications: None.

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

Author unit: Strategic Programming and Management Department (PROGRAM).

Related documents: This document is submitted annually, in accordance with the procedure established in GB.294/PV, para. 210. Reference documents: GB.334/PFA/8/REF/1 and GB.334/PFA/8/REF/2.

Report of the Joint Inspection Unit for 2017 and programme of work for 2018

1. The 2017 annual report [1] of the Joint Inspection Unit (JIU) provides information on, among other things, JIU reports and management letters issued in 2017 [2] and follow-up to recommendations by the participating agencies. It also lists the reviews planned for 2018, including on seven issues that concern the ILO as part of the United Nations (UN) system, namely: cloud computing services; organizational change management; oversight committees; policy research uptake in service of the 2030 Agenda for Sustainable Development; disaster risk reduction in the work of the UN system entities; UN System-Wide Action Plan on Gender Equality and the Empowerment of Women (UN-SWAP); and accessibility of UN conferences and meetings for persons with disabilities. [3]

2. Annex III of the JIU annual report shows that the ILO's share of the JIU costs for 2016–17 represents 2.2 per cent of the total contributions of all participating organizations. The ILO's share of the 2016–17 JIU budget amounts to US$293,634 (after adjustments).

Selected JIU reports published in 2016 and 2017

3. In accordance with the established procedure, the Office submits to the Governing Body annually a summary of JIU reports containing recommendations addressed to UN system organizations, along with a summary of the comments of the UN System Chief Executives Board for Coordination (CEB) and the comments by the Office. A summary of eight such JIU reports is being presented to the Governing Body at its current session, as set out in paragraphs 5–28 below.

4. The ILO's follow-up status on each JIU recommendation is presented in a separate reference document, which is available on the Governing Body website. [4] In line with previous practice, the Office has also made available an additional reference document that provides an updated status of the follow-up to those JIU recommendations that were presented to the Governing Body in the previous three years. [5]

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[1] United Nations: *Report of the Joint Inspection Unit for 2017 and programme of work for 2018*, Official Records of the General Assembly, Supplement No. 34, General Assembly, 72nd Session, New York, 2018 (A/72/34).

[2] All the JIU reports that have been published to date are available on the JIU website in English, French and Spanish, among other UN official languages.

[3] In July 2018, the JIU announced an additional UN system-wide review to be undertaken in the course of 2018, concerning the investigation function.

[4] GB.334/PFA/8/REF/1 (in English language only).

[5] GB.334/PFA/8/REF/2 (in English language only).

Comprehensive review of UN system support for small island developing States (SIDS): Final findings
(JIU/REP/2016/7) [6]

5. The report includes eight UN system-wide recommendations, all of which are designated for ILO action, as well as for action by other organizations. Four of them were accepted and have either been implemented or are in progress, and two other recommendations are under consideration (recommendations 2 and 3). The recommendation concerning the precise system-wide coordinated guidance to be given to the organizations for mainstreaming the priorities of the SIDS Accelerated Modalities of Action (SAMOA) Pathway (Samoa Pathway) in the respective strategic plans, was not accepted (recommendation 1). This is due to the lack of clarity as to who should coordinate and issue such "system-wide" guidance and to the feasibility of coming up with the "precise" guidance, in view of the complexities highlighted in the JIU report itself.

6. While welcoming the report for presenting valuable findings on the UN system-wide implementation of the Samoa Pathway, the CEB member organizations considered that it did not provide sufficient analysis of the UN coordination mechanisms and frameworks on the ground. Such an analysis would have been beneficial, considering the importance of an integrated and streamlined UN approach to planning and monitoring for SIDS in the context of the Sustainable Development Goals (SDGs). With respect to the recommendations contained in the report, they generally supported them all. As for recommendation 1, however, they called for clarification on the recommended action, specifically in terms of who should give the "precise system-wide coordinated guidance" to each organization.

7. The Office participated in the Samoa Pathway process in 2014 and continues to support small island developing States, as well as other least developed and landlocked countries, as part of its development cooperation, including through the South–South and triangular cooperation modality. Further guidance for the Office's work in support of the specific needs of these countries is expected in the context of the ongoing work to prepare the Programme and Budget for 2020–21 and of the follow-up to the resolution concerning effective ILO development cooperation in support of the SDGs, adopted at the 107th Session of the International Labour Conference (2018).

State of the internal audit function in the United Nations system (JIU/REP/2016/8) [7]

8. The report includes six recommendations for ILO action, all of which have been accepted and have either been implemented or are in progress.

9. The CEB members welcomed the report for its thoroughness and for the relevant and useful recommendations contained therein. They also made comments in their capacity as UN Representatives of Internal Audit Services (UN-RIAS), a CEB-affiliated mechanism, welcoming particularly the key finding of the report "that internal audit is a well-recognized and utilized function which needs to be further capitalized on by governing bodies and donors for assurance on governance, risk management and internal control processes in the United Nations system". They called for any future benchmarking analysis to be built on the yearly survey of the Global Audit Information Network of the Institute of Internal Auditors,

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[6] See the full report. See the full CEB comments.

[7] See the full report. See the full CEB comments, as well as its annex for the statement by the UN-RIAS.

the worldwide standard-setting body in internal audit, which has been used increasingly by UN-RIAS since 2014, so as to avoid duplication of efforts.

10. The Office joins CEB/UN-RIAS members in welcoming the report. It will continue to make progress in the use of information technology, among other areas, as well as to apply good practices and make any necessary adaptations to meet the Organization's needs, as required.

Safety and security in the United Nations system
(JIU/REP/2016/9) [8]

11. Four recommendations are designated for ILO action, among other organizations. One recommendation concerning road safety was accepted and implemented (recommendation 2), while the other three were not accepted. The recommendations that were not accepted concern regular review and adaptation of existing and future host country agreements by April 2018 (recommendation 1); inclusion of appropriate security compliance mechanisms in the individual performance appraisal system for all staff in the Organization (recommendation 3); and incorporation of safety and security compliance indicators in the performance assessments at every management level (recommendation 5).

12. The CEB members expressed their satisfaction with the report overall, although they noted some areas that fell short of their expectations, notably with regard to more direct reference to how the recommendations enabled humanitarian operations, beyond the focus on protection, and a more comprehensive assessment of the cost-effectiveness of the UN security management system. Among the UN system-wide recommendations, the CEB members made an extensive comment on recommendation 1, raising questions on the underlying assumptions, in terms of the flexibility of host country agreements to respond to fluctuating security environment; willingness of host governments to engage in the negotiations and their agreement to ratify binding international legal documents; and the amount of time, the workload of their offices of legal affairs and the associated resources required for reviewing hundreds of existing host country agreements. In this respect, they referred to the conclusion of the Inter-Agency Security Management Network that a more holistic approach should be pursued, rather than renegotiating legal provisions in host country agreements, as reflected in the UN Security Management System Security Policy Manual that took effect in April 2012, setting out procedures for improving operational security collaboration with host States. As for recommendations 3 and 5, the CEB members supported them in general, while some organizations questioned the added value of their full implementation.

13. The Office aligns itself with the CEB comments on the whole, and will pursue continuous updates and improvements in this area, including through the Inter-Agency Security Management Network, with due consideration to cost-effectiveness implications.

Knowledge management in the United Nations system
(JIU/REP/2016/10) [9]

14. The report includes three recommendations for ILO action, two of which have been accepted and their implementation is in progress. The recommendation asking the Director-General

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[8] See the full report. See the full CEB comments.

[9] See the full report. See the full CEB comments.

to take the lead in introducing an item on knowledge management in the agenda of the CEB was not accepted (recommendation 6).

15. The CEB members found the report to be relevant and timely, especially in the context of the SDGs. They support the emphasis placed in the report on the "human" element of knowledge management, beyond the systems and processes, recognizing human capital as one of the prevailing factors.

16. The Office welcomes the JIU report and fully concurs with the CEB comments. With respect to recommendation 6, the Office takes note that the JIU recognized the ILO as one of the three UN system organizations "with long-standing and comprehensive experience in knowledge management". [10] It notes, however, that the ILO is still striving to build and strengthen its own knowledge-management systems. Consequently, it would support leadership by those who have already tried and tested systems and who would be well placed to take forward such an initiative, from which the ILO could learn.

Donor-led assessments of the United Nations system organizations (JIU/REP/2017/2) [11]

17. The report includes six recommendations, one of which is addressed to the members of the Multilateral Organisation Performance Assessment Network. All of the five recommendations that are relevant for the ILO have been accepted and have either been implemented or are in progress.

18. The CEB members welcomed the report for identifying, among other issues, common challenges and concerns with regard to donor-led assessments. They appreciated the JIU's call for a more consultative approach to be taken when conducting donor assessments, considering that both donors and UN system organizations can benefit from such an approach, including in terms of organizational learning and reform. They further appreciated that the report acknowledges the considerable resources redeployed to donor-led assessments and the associated transaction costs, and that it explores the potential to standardize and streamline the donor review process so as to ensure that the donors' needs for information are met, while reducing the administrative burden and costs for organizations.

19. The Office joins the CEB members in welcoming the JIU report. It values the constructive dialogue and engagement with the Multilateral Organisation Performance Assessment Network in particular, and expects to continue benefiting from the associated processes and findings in the ILO context.

Review of air travel policies in the United Nations system: Achieving efficiency gains and cost savings and enhancing harmonization (JIU/REP/2017/3) [12]

20. This report includes three recommendations for ILO action. One, concerning the enforcement of and monitoring compliance with an advance purchase policy by 2019, is

[10] The other two UN entities are the United Nations Development Programme and the International Atomic Energy Agency.

[11] See the full report. See the full CEB comments.

[12] See the full report. See the full CEB comments.

under consideration (recommendation 4). Another recommendation concerning periodic monitoring and assessment on conformity with the corporate air travel policy, including in terms of risk and any efficiency gains, has been accepted, and its implementation is in progress (recommendation 5). The third recommendation on the use of online booking tools was not accepted (recommendation 6), as it was assessed to be neither effective nor efficient for the ILO considering its travel patterns. The report refers to a number of good practices observed in the UN system, including in the ILO.

21. The CEB members commended the JIU report for its clarity, comprehensiveness and constructive approach, with conclusions that are mostly practical and feasible insofar as their implementation incurs no additional cost. For some members, the methodology applied for the review was headquarter-centric, not reflecting decentralized travel operations, which could account for a majority of the operations in some cases. All of the three recommendations that are relevant for the ILO are broadly supported, with some reservations on recommendation 4, in terms of the benefits of a single advance-purchase policy for all operations, and on recommendation 6, in terms of cost-effectiveness, process efficiencies, and the appropriateness of its implementation, especially for complex flight itineraries.

22. The Office concurs with the CEB comments calling for consideration of the recommended action in terms of cost implications and of appropriateness for each organization. With these key parameters in mind, it will continue to participate in interagency coordination mechanisms to share and adapt good practices.

Outcome of the review of the follow-up to the Joint Inspection Unit reports and recommendations by the United Nations system organizations (JIU/REP/2017/5) [13]

23. The report includes five recommendations designated for ILO action, three of which have been accepted and implemented. The other two recommendations were not accepted. One of the recommendations that was not accepted concerns the annual follow-up reporting on the JIU recommendations accepted in prior years until their full implementation (recommendation 4). This recommendation follows on from what the JIU assesses to be a "best practice" performed by some of the UN system organizations. In the report, the ILO's current practice – that is, reporting on the follow-up status of all recommendations that have been submitted to the Governing Body in the past three years, is referred to as a "good practice". The other recommendation that was not accepted concerns the consideration of those JIU recommendations that are intended to enhance coordination and cooperation among the UN system organizations, as part of the programme of work of the CEB and its applicable mechanisms (recommendation 6). Such a recommendation should be considered by the appropriate interagency coordination mechanism and in line with the relevant CEB procedure, rather than by each UN system organization individually.

24. The CEB members supported the general findings of the JIU review and appreciated the overall quality of the report. They noted, however, that the JIU considered legislative bodies across the UN system organizations in a one-size-fits-all approach, and that some of the recommendations, if implemented, would increase the time pressure and resources needed to allow consideration of the JIU items by the legislative bodies. Accordingly, several recommendations were either partially supported or noted with relevant observations (recommendations 1, 2, 4, 5 and 6).

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[13] See the full report. See the full CEB comments.

25. The Office concurs with the CEB comments in that the arrangements for the JIU recommendation follow-up system need to be adapted in each UN entity, and will pursue the established practice in the ILO with due regard to the resource and time implications of the overall agenda items submitted to the Governing Body.

Results-based management in the United Nations development system: Analysis of progress and policy effectiveness (JIU/REP/2017/6) [14]

26. This report includes six recommendations for ILO action. One, concerning the establishment of a backbone support function to capture, support and assess a range of innovations introduced in the results-based management across the UN system, was not accepted (recommendation 2). The other five have been accepted and have either been implemented or are in progress.

27. The CEB members commended the JIU report for its comprehensiveness and generally supported the recommendations therein. They were partially supportive of recommendation 2, considering that existing informal networks, such as the UN strategic planning network, already provide a platform for sharing good practices and experiences on results-based management across UN entities.

28. The Office concurs with the CEB comments and remains fully committed to further improving results-based management in the ILO, including through the Office-wide task force established to that effect in 2018 and in collaboration with the other UN entities, notably in the framework of the SDGs and the associated national plans.

Proposed point for discussion

29. The Governing Body is invited to provide guidance on this document and on any of the recommendations addressed to the ILO in the corresponding JIU reports as summarized above and as set out in GB.334/PFA/8/REF/1, as well as in GB.334/PFA/8/REF/2.

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[14] See the full report. See the full CEB comments.