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Programme, Financial and Administrative Section
Audit and Oversight Segment

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SEVENTH ITEM ON THE AGENDA

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

Purpose of the document

This paper summarizes the JIU's annual report for 2014, its programme of work for 2015 and four reports published in 2013 and 2014 on the following UN system-wide issues: selection and appointment process for the United Nations Resident Coordinators; review of the management of implementing partners; an analysis of the resource mobilization function; and capital/refurbishment/construction projects.

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 four JIU reports (see the proposed point for discussion in paragraph 18).

Relevant strategic objective: Governance, support and management.

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, paragraph 210. Reference documents: GB.325/PFA/7/REF/1 and GB.325/PFA/7/REF/2.

Report of the JIU for 2014 and programme of work for 2015

1. The 2014 JIU annual report ¹ provides information on, among other things: JIU reports and notes issued in 2014; independent system-wide evaluations for operational activities for development; and the follow-up to recommendations by the participating agencies. It also presents the list of reviews planned for 2015, including on eight issues that concern the ILO and other United Nations (UN) system organizations, namely: succession planning; ombudsman services; status of the internal audit function; fraud prevention and detection; contribution of the United Nations development system to strengthening national capacities for statistical analysis and data collection; meta-evaluation and synthesis of United Nations Development Assistance Framework evaluations; results-based management (phase II); and determination of parameters of a comprehensive review of United Nations system support for small island developing States.
2. Annex III of the JIU annual report shows that the ILO's share of the JIU costs for 2014–15 represents 2 per cent of the total contributions of all participating organizations. The ILO's share of the 2014–15 JIU budget amounts to US\$281,840.
3. The UN General Assembly considered the JIU annual report at its 69th Session and adopted resolution 69/275 in April 2015, in which it welcomes the continued reform efforts undertaken by the Unit to better serve the interests of the participating organizations and member States and reiterates its request to the Unit to consider optimizing the number of projects in its programme of work through prioritization. Furthermore, it requests the heads of participating organizations to make full use of the JIU's web-based system for tracking its recommendations and to provide an in-depth analysis of how the recommendations are being implemented. The ILO continuously updates the status of its follow-up to the JIU recommendations through the web application and is therefore compliant with the UN General Assembly resolution.

Selected JIU reports published in 2013 and 2014

4. 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 four such reports is being presented to the current session, as set out in paragraphs 6–17 below. The full reports are available on the JIU website. ²
5. Information on the status of the ILO's follow-up to each JIU recommendation is presented in a separate reference document, which is available on the Governing Body website ³ following the established practice. This reference document has been prepared using the

¹ United Nations: *Report of the Joint Inspection Unit for 2014 and programme of work for 2015*, Official Records of the General Assembly, Supplement No. 34, General Assembly, 69th Session, New York, 2015 (A/69/34).

² See <https://www.unjiu.org/en/reports-notes/Pages/reports.aspx>.

³ GB.325/PFA/7/REF/1 (in English language only) at http://www.ilo.org/gb/GBSessions/GB325/pfa/WCMS_408024/lang--en/index.htm.

JIU's web-based tracking system. In response to previous requests, the Office has also made available an additional reference document that provides an overview of the implementation status of recommendations contained in the JIU reports for the previous three years.⁴

Selection and appointment process for United Nations Resident Coordinators, including preparation, training and support provided for their work (JIU/REP/2013/3)

6. The report includes two recommendations for ILO action. One of them, concerning the development and implementation of appropriate guidelines for the identification, screening and preparation of potential Resident Coordinator candidates, has been accepted and implemented. The other, concerning the review and revision of the standard operating procedures of the Inter-Agency Advisory Panel, was supported by the ILO, but is not relevant to it since it is addressed to the UN Secretary-General, as Chair of the CEB.
7. The CEB members welcomed the report and noted that the JIU identifies most of the key issues and challenges pertaining to the selection and appointment process for Resident Coordinators. While agencies expressed appreciation for the finding and the suggestions related to such appointments, they also expressed regret that the suggestions did not lead to more explicit recommendations on how the process could be improved. They generally accepted the recommendations contained in the report and the underlying analysis.
8. The ILO concurs with the CEB's comments. The Office continues to pursue action in this area in collaboration with other UN entities, where appropriate and feasible.

Review of the management of implementing partners in United Nations system organizations (JIU/REP/2013/4)

9. Eleven recommendations are addressed to the ILO, among other organizations. Eight of them have been accepted and are being implemented or are in progress. Two recommendations, concerning the development of an organization-specific strategic framework for partnerships inclusive of implementing partners, and the revision of existing oversight function charters to ensure that they have the right to investigate third parties, have not been accepted, notably for the following reasons: (i) the ILO has a strategic framework for partnerships in the context of its development cooperation strategy and does not consider it appropriate to develop a separate framework that is inclusive of implementing partners, as the latter type of partnership is addressed in specific Office procedures; (ii) although it would be possible to amend the audit charter of the Office of Internal Audit and Oversight to include the "right" to investigate third parties, there is nothing in the current charter that prevents the Office of Internal Audit and Oversight from undertaking investigations involving implementing partners. Furthermore, such a clause could not supersede a legal agreement that exists with the implementing partner. The ILO seeks to ensure that it has access rights in contracts between the ILO and third parties, including Implementing Partner Agreements. The JIU's last recommendation (No. 12) is considered not relevant for the ILO as it is addressed to the UN Secretary-General, as Chair of the CEB.

⁴ GB.325/PFA/7/REF/2 (in English language only) at http://www.ilo.org/gb/GBSessions/GB325/pfa/WCMS_408977/lang--en/index.htm.

10. UN system organizations, as members of the CEB, welcomed the report, which offers critical insights into the selection and management of implementing partners. They considered that most of its recommendations are relevant and actionable, and provide valuable contributions to improving the management of relationships with implementing partners. However, some organizations noted that several of the recommendations contain actions that may not be justified based on cost, particularly for smaller entities, or may not add much value relative to practices already in place.
11. The Office concurs with the CEB's comments.

An analysis of the resource mobilization function within the United Nations system (JIU/REP/2014/1)

12. Four recommendations for ILO action are included in the report. They concern: the periodic review of the resource mobilization strategy/policy; predictable, long-term funding; risk management and due diligence processes for resource mobilization; and agreement with donors upon common reporting requirements. The ILO accepts all four. Three have already been applied and the fourth is in progress.
13. The CEB members welcomed the report, and considered its recommendations to be relevant and useful. They concurred with its findings that core or regular resources form the bedrock of their institutions, allowing them to plan ahead, be strategic and responsive, strengthen accountability and provide predictable, differentiated services to constituents. They also emphasized that regular resources and flexible earmarked funding complement one another, and can be used for development and humanitarian programming, creating linkages between the two. Some organizations suggested that they could benefit from an in-depth analysis aimed at providing guidance that maximizes resource mobilization potential.
14. The Office concurs with the CEB's comments and will continue to make progress in this area under the guidance of the Governing Body.

Capital/refurbishment/construction projects across the United Nations system organizations (JIU/REP/2014/3)

15. The report includes three recommendations for ILO action. They relate to: the monitoring and reporting mechanisms for construction and refurbishment projects; the application of the 19 best practices identified in the report; and the monitoring and oversight by the Governing Body of these projects. All have been accepted and are being implemented.
16. The CEB members welcomed the report and appreciated its comprehensive nature and the best practices it presents for these types of projects. They suggested that environmental, energy-efficient and sustainable aspects should be incorporated in capital master plans with the aim of achieving green, work-friendly and flexible buildings that are accessible for all (including persons with disabilities). Refurbishment projects should be undertaken with the aim of creating healthy, cost-effective, safe and attractive office spaces.
17. The Office concurs with the CEB's comments. The Office's rules and practices are already substantially aligned with the principles and practices suggested in the report.

Proposed point for discussion

- 18.** 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.325/PFA/7/REF/1 and GB.325/PFA/7/REF/2.