



FOR INFORMATION

NINTH ITEM ON THE AGENDA

Other financial questions

Disclosure of internal audit reports

1. At its Second Regular Session of 2007, the UN Chief Executives Board for Coordination (CEB) expressed support for a proposal by the Internal Audit Services of the United Nations system on the disclosure of information contained in internal audit reports.¹ The Internal Audit Services recommended the disclosure of internal audit reports to member States, respecting the management prerogatives of executive heads and subject to conditions and criteria to be defined by each organization. They also recommended that such criteria should not be applied retroactively.
2. During the 301st Session of the Governing Body in March 2008, members of the Programme, Financial and Administrative Committee requested information on the Office's response to the CEB's decision.² This paper provides the Office reply to this request.
3. Current practice in the ILO restricts the circulation of internal audit reports to the Director-General, the Treasurer and Financial Comptroller, the Legal Adviser, the Executive Director for Management and Administration and the director or chief of the relevant ILO office or unit that was the subject of the internal audit. An overview and a summary of findings are presented to the Governing Body in the annual report of the Chief Internal Auditor.
4. In line with the demand for greater transparency and accountability in the UN system and the decision of the CEB, the Director-General has approved the disclosure of internal audit reports to members of the Governing Body and to members of the Independent Oversight Advisory Committee (IOAC). Effective immediately, internal audit reports will be disclosed in the following manner:
 - (a) Internal audit reports will be distributed to members of the IOAC for their consideration. This is already implied in the Terms of Reference of the IOAC. Any discussion of individual internal audit reports by the IOAC will be conducted in camera. Only conclusions of the discussion will be included in its reports.

¹ www.unsystemceb.org/reports/semi-annual/ceb-2007-2/view.

² GB.301/10/1(Rev.)

- (b) Internal audit reports will be available for consultation by Governing Body members at the Office of Internal Audit and Oversight (IAO). Requests by Governing Body members to consult internal audit reports should be addressed in writing to the Director-General. The requests will be transmitted by the Director-General to the Chief Internal Auditor for follow-up.
- (c) No copies of the internal audit reports shall be reproduced, copied or removed from the IAO offices. Queries regarding the information contained in the reports should be directed to the Chief Internal Auditor.
- (d) Only internal audit reports which have been submitted to the Director-General will be made available to the IOAC and be available for consultation by Governing Body members. Draft reports, working papers and reports on investigations will not be disclosed.
- (e) In the event that an internal audit report contains findings related to a specific member State or constituent organization, the IAO would inform the party concerned of the request and of the subsequent disclosure of the report.
- (f) Requests to view internal audit reports will be processed based on a presumption in favour of disclosure and reports will normally be made available in their original form. However, if certain information is deemed to be sensitive, the reports may be redacted or withheld at the discretion of the Director-General.
- (g) A list of the requests received to view internal audit reports will be provided to the IOAC for information.

Geneva, 14 October 2008.

Submitted for information.