Governing Body

341st Session, Geneva, March 2021

Programme, Financial and Administrative Section

Audit and Oversight Segment

PFA

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Tenth item on the agenda

Matters relating to the Joint Inspection Unit

Purpose of the document

This document summarizes the annual report of the Joint Inspection Unit (JIU) for 2019 and its programme of work for 2020, and eight reports published in 2018 and 2019 on the following United Nations (UN) system-wide issues: policy research uptake in the context of the 2030 Agenda for Sustainable Development; the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women; integration of disaster risk reduction in the work of the UN system; change management; cloud computing services; audit and oversight committees; staff exchange and similar inter-agency mobility measures; and external outsourcing of services to commercial service providers.

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 the follow-up to the recommendations presented to the Governing Body in the past three years (see the draft decision in paragraph 30).

Relevant strategic objective: None.

Main relevant outcome: 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, paragraph 210; GB.341/PFA/10/REF/1; GB.341/PFA/10/REF/2.

▶ Report of the Joint Inspection Unit for 2019 and programme of work for 2020

1. The 2019 annual report [1] of the Joint Inspection Unit (JIU) provides information on, among other things, JIU reports issued in 2019 [2] and the follow-up to recommendations by the participating agencies. It also lists the reviews planned for 2020, including on five issues that concern the ILO as part of the United Nations (UN) system, namely: policies and practices on cybersecurity; sustainable and environmentally friendly policies, practices and facilities; use of blockchain applications; support for the landlocked developing countries; and the ethics function.

2. Furthermore, Annex I to the JIU annual report presents the JIU's strategic framework for 2020–29 and medium-term plan for 2020–24. The framework is built on five guiding principles and geared towards achieving four strategic goals, with a focus on four thematic areas. The JIU's performance will be subject to annual reporting and will be measured against a set of criteria addressing: coverage of the review topics; quality and rigour of the JIU's products; value and impact of the JIU's work; and optimal use of the JIU's resources, as well as those of the UN system.

▶ Selected JIU reports published in 2018 and 2019

3. In accordance with the established procedure, the Office submits to the Governing Body annually [3] a summary of JIU reports containing recommendations addressed to the ILO among other 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 6–29 below.

4. 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. [4] In line with previous practice, the Office has also made available an additional reference document that provides details of the updated status of the follow-up to those JIU recommendations that were presented to the Governing Body in the previous three years. [5]

5. The Governing Body is invited to provide guidance on this document and on any of the recommendations addressed to the ILO as set out in the two reference documents.

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[1] United Nations, *Report of the Joint Inspection Unit for 2019 and Programme of Work for 2020*, Official Records of the General Assembly, Supplement No. 34, General Assembly, 74th Session, New York, 2020 (A/74/34).

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

[3] This agenda item has been deferred from the 340th Session of the Governing Body, October–November 2020.

[4] GB.341/PFA/10/REF/1 (in English only).

[5] GB.341/PFA/10/REF/2 (in English only).

Strengthening policy research uptake in the context of the 2030 Agenda for Sustainable Development

6. The report [6] includes 12 recommendations, of which 7 are addressed to the ILO for action, among other relevant UN system entities. Five of them were accepted; four have been implemented and one is in progress. The other two recommendations are addressed to the UN Secretary-General (recommendations 6 and 12).

7. In their comments, [7] the CEB members expressed appreciation for the report's ambitious and comprehensive nature. They supported most of the recommendations, while underlining the need for flexibility in the institutional configuration of research uptake to account for each organization's mandate, strategic objectives and availability of dedicated financial and human resources, among other issues. One recommendation that was not generally supported concerns the accounting of and reporting on the cost of research activities through organizations' respective programme budgets and finance systems (recommendation 2). For many organizations, this is not currently a priority.

8. The Office concurs with the CEB comments in terms of making further progress in the light of its organizational mandate and governance framework. It will continue such efforts, including through inter-agency collaboration, where appropriate, as highlighted in the report (recommendations 8 and 9).

Review of the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women

9. The report [8] includes four recommendations that are addressed to the ILO for action, among other relevant UN system entities. Three of them were accepted, each with a different implementation status. The remaining one is under consideration, in terms of its added value and staff–cost implications in view of the practices already in place. It concerns the review by the Governing Body of the annual letter from the UN Entity for Gender Equality and the Empowerment of Women addressed to the Director-General, along with strategies and measures to improve compliance with the indicators included in the System-wide Action Plan on Gender Equality and the Empowerment of Women (recommendation 4).

10. In their comments, [9] the CEB members welcomed the report, acknowledging the robustness of the methodology used for the review. They recognized the significant value of the analysis and recommendations in increasing the quality of results and engagement of the leadership and executive management in preparing an updated version of the System-wide Action Plan in the future. While they largely supported the recommendations in the report, they noted a possible duplication of some of the recommended action with what is already in place and functioning in the respective organizations, with considerable resource implications (recommendations 4 and 5).

11. The Office concurs with the CEB comments. It will enhance its efforts to improve performance within the framework of the ILO Action Plan for Gender Equality 2018–21, maintaining its full alignment with the System-wide Action Plan. The Office's future

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[6] JIU/REP/2018/7.

[7] The full text of the CEB comments is available in document A/74/216/Add.1.

[8] JIU/REP/2019/2.

[9] The full text of the CEB comments is available in document A/74/306/Add.1.

efforts, including in designing the next ILO Action Plan for Gender Equality beyond the current 2018–21 period, will continue to be subject to guidance from the Governing Body and will also be informed by an independent evaluation, to be undertaken in the course of 2021.

Review of the integration of disaster risk reduction in the work of the United Nations system in the context of the 2030 Agenda for Sustainable Development

12. Of the three recommendations included in the report [10] that are addressed to the ILO for action, among other relevant UN system entities, two were accepted and their implementation has either been completed or is in progress. The remaining one is under consideration; it concerns the Director-General's role to ensure UN country teams' capacity to implement risk-informed development activities and their reporting thereon to headquarters in the light of the Sendai Framework for Disaster Risk Reduction 2015–2030 and the reporting framework for the Sustainable Development Goals (recommendation 3).

13. In their comments, [11] the CEB members welcomed the report's timeliness and relevance, as well as its recognition of the importance of greater predictability and availability of resources for strengthened coordination efforts in this area. They partially supported the recommendations, including with respect to the reporting to the governing bodies or the headquarters (recommendations 2 and 3). They favoured such reporting to be made at a more strategic and consolidated level, rather than at an activity level.

14. The Office concurs with the CEB comments. It has been actively participating in the UN system-wide coordination and will continue to do so, including as a member of the UN Disaster Risk Reduction Focal Points' Group. It is taking relevant action in relation to its organizational mandate and will ensure reporting on the relevant results, primarily within the framework of the biennial programme implementation.

Review of change management in United Nations system organizations

15. The report [12] includes six recommendations that are addressed to the ILO for action, among other relevant UN system entities. The recommended action and practices were already in place in the ILO, and the recommendations were therefore all accepted.

16. In their comments, [13] the CEB members welcomed the report and the opportunity it provided to review and learn from good practices across the UN system. On the other hand, they noted that it would have benefited from a deeper analysis of enabling factors, such as post and salary structures and internal performance management structures at the UN and other international or multilateral entities. They partially supported the recommendations in the report, mostly owing to observations related to organizational specificities.

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[10] JIU/REP/2019/3.

[11] The full text of the CEB comments is available in document A/75/76/Add.1.

[12] JIU/REP/2019/4.

[13] The full text of the CEB comments is available in document A/74/669/Add.1.

17. The Office joins the CEB members in welcoming the findings of the report. Change management has been an integral element of the reform initiatives implemented by the Office over the past decade. Efforts in this area will continue.

Managing cloud computing services in the United Nations system

18. The report [14] includes four recommendations that are addressed to the ILO for action, among other relevant UN system entities. Two of them were accepted and have been implemented. The other two recommendations are under consideration, in view of technical feasibility and budgetary constraints. They concern the inclusion of strategies and measures to mitigate the risks associated with the cloud service delivery, as part of business continuity planning (recommendation 1); and financial strategies to better facilitate the adaptation, responsiveness and efficient use of operational expenditures and capital investments related to new technologies (recommendation 2).

19. In their comments, [15] the CEB members expressed their appreciation for the comprehensive overview of this matter. They concurred with the view that cloud computing offers the opportunity to better manage information and communication technology service delivery. However, they noted that in order to experience the benefits of cloud adoption, the business case and adoption strategy of each organization needs to be designed explicitly to achieve more agility, improved business continuity, improved security, and service delivery at reduced cost.

20. The Office concurs with the CEB comments and will pursue efforts in this area with due consideration of cost-effectiveness and reliability, among other relevant factors.

Review of audit and oversight committees in the United Nations system

21. The report [16] includes six recommendations that are addressed to the ILO for action, among other relevant UN system entities. Three of them were accepted and have been implemented. The other three are under consideration, as they relate to the proposed amendments to the terms of reference of the Independent Oversight Advisory Committee, to be considered by the Governing Body at a future session (recommendations 2, 6 and 7).

22. In their comments, [17] the CEB members welcomed the report's inclusion of an important review on the evolution of the role of audit and oversight committees in the UN system since the first JIU report on this matter in 2006. They also appreciated the good practices highlighted and insights provided into the structure and operation of audit and oversight committees in the various UN system entities, emphasizing that a "one-size-fits-all" approach is not appropriate. At the same time, they observed that the review would have been strengthened by including in-depth analyses of: the correlation between the committees' structure and operation and the entities' governance models; the rationale for having different models; the committees' effectiveness in supporting the respective organizations; the expected governance role of the committees; and whether the committees' feedback reached all stakeholders and their advice was used.

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[14] JIU/REP/2019/5.

[15] The full text of the CEB comments is available in document A/74/691/Add.1.

[16] JIU/REP/2019/6.

[17] The full text of the CEB comments is available in document A/74/670/Add.1.

23. The Office joins the CEB members in welcoming the findings of the review across the UN system.

Review of staff exchange and similar inter-agency mobility measures in United Nations system organizations

24. The report [18] includes seven recommendations that are addressed to the ILO for action, among other relevant UN system entities, including one that is addressed to the UN Secretary-General (recommendation 6). Of the six recommendations relevant for the ILO, three were accepted and have been implemented as far as they are attributable to the ILO's own action. Two recommendations are under consideration owing to technical observations and issues related to compatibility with the ILO's internal rules and governance framework. They concern the assessment of the impact of the UN system leadership framework on the development of a common management culture supportive of a "One United Nations" mindset (recommendation 7); and the application of mutual recognition of rules and procedures to overcome regulatory and procedural barriers to inter-agency mobility (recommendation 9). The recommendation requesting the Director-General to enable all UN system staff members to compete for vacant posts on a basis equal to that established for ILO staff was not accepted owing to its incompatibility with the internal rules and governance framework in place (recommendation 8).

25. In their comments, [19] the CEB members welcomed the report for offering a useful overview of the opportunities and challenges in the use of inter-agency mobility, along with a list of practical solutions to overcome existing obstacles. They supported the view that a review of existing policies and arrangements would be fruitful in assessing the effectiveness of the current process and identifying strategies for improvements in this area (recommendation 6). It was noted that the report was particularly relevant for the UN Secretariat and its Development Coordination Office, in view of the latter's involvement in revamping the UN resident coordinator system and the UN country teams.

26. The Office concurs with the CEB comments and will continue to engage in UN system-wide coordination efforts in this area.

Review of contemporary practices in the external outsourcing of services to commercial service providers by United Nations system organizations

27. Of the seven recommendations included in the report [20] that are addressed to the ILO for action, among other relevant UN system entities, five were accepted and have been implemented. The remaining two are under consideration in view of the justifiable needs and cost-effectiveness to implement them in the ILO context. They concern the inclusion of a subsection on expenditures on services sourced from commercial service providers as part of annual reports on procurement (recommendation 2); and the development of detailed guidelines for management vendor transition, following any decision to source

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[18] JIU/REP/2019/8.

[19] The full text of the CEB comments is available in document A/75/85/Add.1.

[20] JIU/REP/2019/9.

a service and related goods of strategic, sensitive or high value from a commercial service provider (recommendation 7).

28. In their comments, [21] the CEB members welcomed the report for offering a useful overview of the current status of external outsourcing. They noted the importance of the role of the Procurement Network of the High-level Committee on Management in coordinating actions in this area with a view to avoiding duplication of efforts and benefiting from existing expertise within the UN system. However, they shared reservations in relation to the limited resources and time available to comply with the proposed implementation timelines, including in view of their involvement in the COVID-19 pandemic response.

29. The Office joins the CEB members in recognizing the essential role of the Procurement Network and will continue to engage in inter-agency coordination and learning on this matter. It will maintain its existing measures and practices that are in line with the recommendations, while carefully assessing additional action as recommended, in terms of any added value and cost-effectiveness.

▶ Draft decision

30. **The Governing Body, by correspondence, took note of the information contained in documents GB.341/PFA/10, GB.341/PFA/10/REF/1 and GB.341/PFA/10/REF/2 and provided guidance to the Office.**

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[21] The full text of the CEB comments is available in document A/75/551/Add.1.