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Activities of the Joint Inspection Unit

Activities of the Joint Inspection Unit

Report by the Director-General

The present document provides information on the activities of the Joint Inspection Unit (JIU) in accordance with the pilot scheme of follow-up to recommendations in accordance with decision IDB.24/Dec.11.

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I. Introduction

1. The Joint Inspection Unit (JIU) became a subsidiary organ of the Industrial Development Board by its decision IDB.1/Dec.22. A pilot scheme of follow-up to JIU recommendations was outlined in document IDB.24/18 and subsequently approved in decision IDB.24/Dec.11. In accordance with the provisions therein, one regular Board session per year will consider JIU reports (except in certain specified cases).

2. A total of twelve JIU reports¹ and one management letter have been received² by the Organization since the most recent Board document covering this subject (IDB.37/3 dated 17 February 2010). The present document provides the Organization's comments on those reports that are of direct relevance to UNIDO. The recommendations applicable to UNIDO are presented in the annex.

Recent JIU reports and management letters

JIU/REP/2009/8 — Selection and conditions of service of executive heads in the United Nations system organizations

JIU/REP/2009/9 — The role of Special Representatives of the Secretary-General and resident coordinators — A benchmarking framework for coherence and integration within the United Nations system

JIU/REP/2010/1 — Environmental profile of the United Nations system organizations: Review of their in-house environmental management policies and practices

JIU/REP/2010/2 — Review of travel arrangements within the United Nations system

JIU/REP/2010/3 — Ethics in the United Nations system

JIU/REP/2010/4 — Review of enterprise risk management (ERM) in the United Nations system: Benchmarking framework

JIU/REP/2010/5 — The audit function in the United Nations system

JIU/REP/2010/6 — Preparedness of United Nations system organizations for the International Public Sector Accounting Standards (IPSAS)

JIU/REP/2010/7 — Policies and procedures for the administration of trust funds in the United Nations system

JIU/REP/2010/8 — Inter-agency staff mobility and work/life balance in the organizations of the United Nations system

JIU/REP/2010/9 — United Nations corporate partnerships: The role and functioning of the Global Compact

JIU/REP/2010/10 — Review of management and administration in the United Nations Office on Drugs and Crime (UNODC)

JIU/ML/2010/1 — UNOG Security and Safety Section management letter

¹ All JIU reports and notes can be accessed via the JIU website www.unjiu.org/.

² At the time this report was prepared.

II. Reports and notes submitted by the Joint Inspection Unit of direct relevance to UNIDO

A. Selection and conditions of service of executive heads in the United Nations system organizations — JIU/REP/2009/8

3. Based on an internal proposal within the JIU and a parallel suggestion by the United Nations Board of Auditors, this review assessed the legal and institutional framework and practices in the selection and appointment of the United Nations Secretary-General and other executive heads of the United Nations system organizations, including their conditions of service, to assist in the establishment of harmonized criteria that would ensure the highest quality of leadership and management.

4. The report contains thirteen recommendations, of which one is addressed for action to the United Nations system Chief Executives Board (CEB), two to the United Nations Secretary-General and ten to the legislative bodies of the United Nations system organizations. The recommendations addressing the selection process refer to issues such as the transparency of the selection process; timelines for the selection; regional rotation and gender equality in the selection process; medical examinations of candidates; the establishment of procedures for internal candidates and good conduct during the election campaign by the candidates and their supporting governments. The recommendations dealing with the conditions of service of the executive heads focus on issues such as the terms of appointment of the executive heads; potential conflicts of interest pertaining to and possible misconduct/wrongdoing by the executive heads; the financial disclosure statement policies applicable to the executive heads; and the acceptance of gifts, honours and decorations.

UNIDO comments

5. UNIDO concurs with the report and supports the recommendations made, where applicable to UNIDO. It should be noted that UNIDO is compliant with seven of the nine recommendations.

B. The role of the Special Representatives of the Secretary-General and resident coordinators — JIU/REP/2009/9

6. The report reviews the roles of the Special Representatives of the Secretary-General and resident coordinators in the context of the coherence and integration process of the United Nations system.

7. The report examines the current barriers to the achievement of coherence and integration of the United Nations system and provides guidance, through a series of 18 benchmarks, to overcome these barriers. It proposes a flexible model for coherence and integration, which can be adapted to meet the “needs and wants” of all countries where the United Nations system operates for those on the road to development and those in conflict or post-conflict situations. Member States are invited to adopt the proposed benchmarking framework as a yardstick to guide and

measure the efforts towards a more efficient and effective system, better serving the needs of the countries.

8. The report benefits from the feedback received from over 100 interviews conducted by the JIU with officials of various participating organizations at various duty stations as well as representatives of host country Governments, donor countries and non-governmental organizations in the field. It was also enriched by a brainstorming session held in June 2008 which counted on the active participation of high-level officials from Member States and United Nations system organizations.

UNIDO comments

9. UNIDO concurs with the report and its benchmarks where relevant. However, UNIDO wishes to point out that Benchmark 13 and 16 did not appear to include the non-resident agencies (NRA) in the funding mechanism and did not seem to address the specific issues and interest of the NRAs sufficiently.

C. Environmental profile of the United Nations system organizations: Review of their in-house environmental management policies and practices — JIU/REP/2010/1

10. This system-wide review assessed the environmental policies and practices of the secretariats of the United Nations system organizations on their sustainable use of resources, including energy consumption. The review revealed that development of environmental policies and practices had been undertaken in a piecemeal manner, due to the lack of a formal and systematic framework for integrated in-house environmental management based on explicit legislative mandates and applicable environmental norms and standards, as well as lack of administrative and managerial leadership at the senior level. Many secretariats of the organizations are still far from honouring their commitment to “practice what you preach” or “walk the talk”, as they are not sure whether and how they should apply the multilateral environmental agreements which their Member States have adopted. Nevertheless, a variety of viable means and initiatives already exist within the system, which will improve environmental performance drawing on technological progress in energy use and production, and environmental protection and sustainability, leading to energy savings of 35 to 50 per cent, as well as cost savings in various United Nations premises, notably those in Nairobi, New York, Rome and Vienna. The process of coordinating the climate neutrality initiative has produced a system-wide accounting framework for CO₂ emissions and a critical mass of networked environment managers, representing a seminal contribution towards the adoption of broader in-house environmental management policies and systems.

11. The report contains twelve recommendations — three addressed to the United Nations General Assembly, four to the Secretary-General and five to executive heads of United Nations system organizations — the implementation of which should contribute to an enhanced role for the United Nations system to lead by example in improving its internal in-house environmental management. The Secretary-General, on behalf of the CEB, accepted or supported all the recommendations. The General Assembly actively considered the report in the

context of sustainable procurement by the secretariat and decided to consider it further during the first part of its resumed sixty-seventh session.

UNIDO comments

12. UNIDO concurs with the report and supports the recommendations made, where applicable to the Organization. UNIDO is also of the opinion that the Environment Management Group (EMG), which is a United Nations system-wide coordination body chaired by the Executive Director of the United Nations Environment Programme (UNEP), might not be the ideal forum for the intended activities mentioned in the recommendations of the report. It should be considered to attach these activities to the Office of the Secretary-General which would give the issue political weight and further implementation in all United Nations system organizations.

D. Review of travel arrangements within the United Nations system — JIU/REP/2010/2

13. The review examined existing travel arrangements and considered best practices among United Nations organizations with a view to improving services and reducing travel costs, one of the largest parts of United Nations system organizations' budgets after staff costs. Airline ticket expenditures of international organizations were estimated at \$1.1 billion in 2008. The report contained a recommendation for the formal adoption by the Inter-Agency Travel Network of its own statute stating goals, objectives and procedures, a recommendation that was mostly implemented at its September 2010 annual meeting.

14. The report draws attention to the different models for procuring travel services and to cost-reduction measures adopted by organizations in response to the financial crisis, including strict adherence to advance travel planning, revision of lump-sum options, entering into joint airline negotiations, offering staff incentives and streamlining of travel claims processing. The report calls for Member States to be informed regularly by executive heads on travel expenditures and steps taken to rationalize travel costs, while noting that the implementation of enterprise resource planning systems would alter the current travel arrangements workflow, requiring changes in policies and procedures.

15. CEB members commended the Joint Inspection Unit for producing a clear, comprehensive and constructive report. Agencies found many of the conclusions to be practical and worthy of further consideration (document A/65/338/Add.1, paragraph 2 refers).

UNIDO comments

16. UNIDO concurs with the report and recommendations where applicable to UNIDO. It should also be noted that seven of the nine recommendations are already in place in UNIDO.

E. Ethics in the United Nations system — JIU/REP/2010/3

17. This report follows up on an earlier Joint Inspection Unit report entitled, Oversight lacunae in the United Nations system (JIU/REP/2006/2), to determine progress, lessons learned and best practices in establishing and implementing the ethics function throughout the United Nations system. The review examined the ethics function in relation to key components considered essential for an effective ethics function, which were presented as JIU suggested standards.

18. In the report it was noted that executive heads need to be committed to the ethics function, which should be operationally independent from the executive head. The report contains 17 recommendations covering, inter alia, the establishment of the ethics function, the appointment of and qualifications for the ethics head, the need for term limits, open recruitment with the involvement of staff representatives and reporting lines to Member States, training, the need for a comprehensive financial disclosure policy, including annual review and random verification, as well as the need to ensure that mechanisms are in place to investigate or undertake reviews of allegations brought against executive heads.

UNIDO comments

19. UNIDO concurs with the report and generally supports the recommendations made, where applicable to UNIDO and within the available budgetary resources.

F. Review of enterprise risk management (ERM) in the United Nations system: Benchmarking framework — JIU/REP/2010/4

20. The objective of the review was to assess enterprise risk management policies, practices and experiences in the United Nations system, and to identify best practices and lessons learned regarding inter-agency cooperation, coordination and knowledge-sharing mechanisms.

21. The review found that most United Nations system organizations have only started adoption and implementation of ERM, prepared policy and framework documents or undertaken first-phase exercises. Inter-agency cooperation and coordination are yet to be fully explored. The report contains three recommendations and ten JIU benchmarks which were based on the review of enterprise risk management literature, experience and lessons learned. The benchmarks for the successful implementation of enterprise risk management in United Nations organizations suggest the adoption of a formal enterprise risk management policy and framework; full commitment and engagement of executive management; a formal implementation strategy; a formally defined governance structure and clearly established roles and responsibilities; a communication and training plan; provision of adequate resources; clear guidelines for implementation; integration of risk management with results-based management; monitoring, evaluation and reporting mechanisms; and inter-agency cooperation and coordination. One recommendation is addressed to executive heads, one to governing bodies and one to the CEB.

UNIDO comments

22. UNIDO concurs with the report and supports most of the benchmarks and recommendations made, where applicable to UNIDO. The ERM is an integral part of the Programme for Change and Organizational Renewal (PCOR) currently being implemented in the Organization.

G. The audit function in the United Nations system — JIU/REP/2010/5

23. Based on an internal JIU proposal, this review assessed the current needs and best practices of the audit function in the United Nations system. The objective of the report was to contribute to improving system-wide coherence among the competent entities dealing with the audit function, whether internal or external, in line with professional standards for the practice of the profession, as applicable to the United Nations.

24. The review found that the audit function still lacks system-wide coherence and coordination. Many organizations need to improve the audit function's independence, capabilities, resources and processes to overcome a number of performance gaps and better align the value delivered in line with stakeholders' expectations.

25. The report contains eighteen recommendations, of which one is addressed for action to executive heads, four to internal audit or oversight heads, two to audit/oversight committees and eleven to the legislative bodies of the United Nations system organizations. Regarding the internal audit/oversight function, recommendations include improving the independence of the function, the authority and responsibility of the internal auditors, their recruitment process, the accountability and comprehensiveness of their reporting, the adequacy of resources, the improvement of the follow-up systems on implementation of recommendations and the assessment of internal audit performance. Recommendations regarding external audit focus on the service's mandate or scope, competitiveness, need for rotation and improvement of the selection process, transparency and accountability of its reporting and the implementation of the single audit principle. The recommendations concerning audit or oversight committees include the need to broaden their mandate or scope and improve their composition as well as accountability and transparency.

26. It is worth noting that the United Nations Board of Auditors never responded to the JIU questionnaire, but provided extensive comments on the draft report, which were fully reflected. The findings and recommendations were presented and discussed at the forty-first plenary meeting of Representatives of Internal Audit Services of the United Nations Organizations and Multilateral Financial Institutions and Associated International Organizations (RIAS) in September 2010. The Institute of Internal Auditors confirmed that the JIU recommendations were in alignment with the Institute's International Professional Practices Framework.

UNIDO comments

27. UNIDO concurs with the report and supports most of the recommendations made, where applicable to the Organization. It should however be noted that most

recommendations are directed towards, or are related to, an audit/oversight committee. Since UNIDO does not have an audit committee, the implementation of these recommendations is pursued without the involvement of such a committee. It should be noted that UNIDO also participated in the RIAS discussion of and reply to the report.

H. Preparedness of United Nations system organizations for the International Public Sector Accounting Standards (IPSAS) — JIU/REP/2010/6

28. The report reviews the transition to and implementation status of IPSAS in United Nations system organizations and seeks to increase awareness of IPSAS among delegates and officials of the various secretariats, most of whom do not have a professional background in accounting. The report explains why the organizations have decided to transit to IPSAS and highlights the provisions of IPSAS that would entail major changes in accounting and management practices across the United Nations system. It gives insight into key IPSAS issues, with a view to assisting the organizations to assess the implementation status of their IPSAS project and, if necessary, rethink their adoption strategy.

29. The report confirms that the adoption of IPSAS is starting to have a major impact on organizations and should allow for enhanced management of resources and business processes and improved results-based management across the United Nations system. In addition, the report addresses a number of risks that the executive heads and legislative bodies should consider in order to ensure a smooth transition to IPSAS. It also demonstrates that the transition to IPSAS has posed a significant challenge for most organizations and that many have failed to undertake initial risk and preparedness assessments, as they had underestimated the concerted efforts and resources that would be required for their respective projects. An annex to the report details the experience of the World Food Programme (WFP), the first United Nations system organization to have achieved in 2008 and 2009 full compliance with IPSAS requirements. Drawing on this experience, the report contains a set of sixteen best practices and formulates three recommendations that organizations should implement in order to ensure a successful transition to IPSAS.

UNIDO comments

30. UNIDO concurs with the report and supports the recommendations made, where applicable to the Organization. UNIDO met the deadline of implementation of 2010 and the financial statements 2010 will be available to the External Auditors for compliance. Some of the listed best practices are already being followed. It may be noted that UNIDO also participated in the RIAS discussion of and reply to the report.

I. Policies and procedures for the administration of trust funds in the United Nations system organizations — JIU/REP/2010/7

31. The objectives of this review were to examine the policies, regulations and rules in force in connection with trust fund management and administration, as well

as the major trends in the overall volume and use of trust funds in United Nations system organizations, so as to identify the specific problems and best practices in managing trust funds, with a view to enhancing the effectiveness and efficiency and promoting system-wide coherence of trust fund administration.

32. The review found that there is a need for strengthening efforts for better integrated management of regular budget and extrabudgetary resources, including trust funds, to address the fragmentation of the organizations' funding architecture and to ensure better alignment of funded activities with organizational priorities. In this respect, organizations should encourage donors to increase the portion of funding provided for thematic trust funds, which would lead to efficiency gains in trust fund administration. Further efforts should be made to better address and manage trust-fund-related risks, as well as to enhance oversight, including through improved audit coverage and through incorporating lessons learned from evaluations of trust funds. There is also a need for greater harmonization of cost-recovery policies related to trust funds among United Nations system organizations to avoid competition for resources, enhance transparency and prevent potential subsidization by the regular budget of trust-fund-financed activities. With respect to multi-donor trust funds, a regular dialogue between all major stakeholders should be strengthened, and the current framework for auditing such trust funds should be reviewed to enhance audit coverage and achieve more integrated audits.

33. The report contains thirteen recommendations, of which four are addressed to the legislative bodies of the United Nations system organizations, five to their executive heads, three to the CEB and one to the heads of internal audit of the organizations.

UNIDO comments

34. UNIDO concurs with the report and supports the recommendations made, where applicable to UNIDO. It should be noted that UNIDO participated in the RIAS discussion of and reply to the report.

J. Inter-agency staff mobility and work/life balance in the organizations of the United Nations system — JIU/REP/2010/8

35. The objective of the review was to assess the policies and mechanisms regulating staff mobility and work/life balance from a system-wide perspective, providing participating organizations and their respective governing organs with an independent, external assessment of relevant issues.

36. The review found that inter-agency mobility is currently driven by staff members' individual initiative and not by organizations, which should take a proactive approach and develop new mobility schemes in consultation with staff. In this regard, the major hurdle to overcome is the need to harmonize practices and tools across the system, with regulations and rules common to all organizations. The review could confirm that progress has been made and that organizations are advancing on the necessary harmonization of practices in different areas; and encourages them to continue this effort at a faster pace given the strategic importance of the Delivering as One concept.

37. The review concluded that, while it is generally accepted that a structured mobility scheme may enhance staff capabilities, providing staff with a broader experience, organizations should go beyond this widely accepted mantra. Mobility should not be an end in itself. Staff mobility is key to achieving organizational goals and to reacting to emergencies or global challenges, but only a proper match of organizational and staff needs can guarantee a solid base for a successful development and implementation of staff mobility and work/life balance initiatives.

38. The report contains ten recommendations and a set of proposals addressed to governing bodies, CEB and executives heads to harmonize and enhance staff mobility and work/life balance across the United Nations system.

UNIDO comments

39. UNIDO concurs with the report and supports the recommendations made, where applicable to UNIDO.

K. United Nations corporate partnerships: The role and functioning of the Global Compact — JIU/REP/2010/9

40. The Global Compact was launched in 1999 at the World Economic Forum in Davos by the former United Nations Secretary-General Kofi Annan to promote among business participants ten agreed principles of responsible corporate citizenship that embrace United Nations universal values in four areas of action: human rights, labour, environment and corruption. The objective of this review was to examine the Global Compact's role, degree of success and the risks associated with the use of the United Nations name by companies without having to prove their conformity with United Nations core values and principles. The report identifies best practices, lessons learned and challenges, and formulates recommendations for an effective, transparent and accountable management of these types of corporate partnerships.

41. The review found that, while originally established in the Office of the United Nations Secretary-General, the Global Compact initiative quickly evolved under the shield of the Secretary-General into a full-fledged office with growing staff, premises, funding, functions and ambitious objectives, functioning within a special set-up recognized by the United Nations General Assembly in its resolution 62/211, lacking a proper regulatory governmental and institutional framework. Against this background, the Global Compact succeeded in expanding significantly its constituency and in multiplying its outreach activities to the private sector. Yet, the lack of a clear and articulated mandate resulted in blurred focus and impact. The absence of adequate entry criteria and an effective monitoring system to measure actual implementation of the principles by participants triggered some criticism and increased reputational risk for the Organization, and the Office's special set-up bypassed existing rules and procedures. The report calls for involvement of Member States to provide a clear mandate for the Office to rethink and refocus its action.

42. The report includes sixteen recommendations, of which four are addressed to the United Nations General Assembly, five to the United Nations Secretary-General and seven to the Global Compact Office. The JIU was pleased to note that the Strategic Planning Unit of the Executive Office of the Secretary-General has

indicated that many of the recommendations echo the direction and initiative which the senior management of the Global Compact and the Secretary-General would like to take.

UNIDO comments

43. No recommendations were issued to UNIDO.

III. Implementation of JIU recommendations at UNIDO

44. The United Nations General Assembly, in its resolution 60/258, requested the JIU to strengthen the follow-up of implementation of its recommendations, and to include in future annual reports more information on the impact of full implementation of its recommendations. Accordingly, the Unit enhanced its follow-up system. In the last quarter of each year, it requests from, inter alia, UNIDO pertinent information on recommendations issued in the last three years, i.e. status of acceptance (accepted by executive heads/approved by legislative bodies, rejected, under consideration), status of implementation (not started, in progress, implemented) and impact. The JIU then presents the aggregate outcome in its yearly activity report (A/65/34) to the General Assembly.

45. The last status presented by the JIU included recommendations for the period 2007-2009. The status of acceptance and implementation for UNIDO is presented in the below table (in percentage of recommendations issued).

Table³

	<i>Acceptance</i>					<i>Implementation</i>			
	<i>Not relevant</i>	<i>Accepted/ approved</i>	<i>Rejected</i>	<i>Under consideration</i>	<i>No information provided</i>	<i>Not started</i>	<i>In progress</i>	<i>Implemented</i>	<i>No information provided</i>
UNIDO	11.9	75.7	4	8.5	–	15.7	47	32.1	5.2

46. Compared to the previous period reviewed by the JIU (2006-2008),⁴ the number of accepted recommendations remained stable while the number of those rejected was reduced. Further, the number of recommendations in progress or already implemented increased slightly whereas the number of recommendations not started decreased.

47. It should further be noted that UNIDO remained one of the “best practice” organizations mentioned by the JIU with regard to the status of considerations of reports by its governing bodies.

³ As contained in document A/65/34, para. 69.

⁴ Document IDB.37/3 refers.

IV. Interaction with the Joint Inspection Unit

48. The JIU also held its first meeting of JIU focal points organized in Geneva on 13 and 14 September 2010, which was attended by 23 focal points from 20 participating organizations and a CEB representative. The objectives were to: (a) share with JIU stakeholders how the Unit plans and conducts its work; (b) hear from focal points suggestions for improvement in working processes and relations; and (c) allow for some face-to-face networking and sharing of experiences. Participants' evaluation of the event was positive, its success indicating that this kind of direct engagement is well appreciated by participating organizations and can contribute to more effective working relationships. There was strong support for organizing this event on a regular basis, allowing for more in-depth discussion of some strategic issues. The planned web-based follow-up tracking system was welcomed as a step in the right direction.

49. The meetings further strengthened interaction with the Unit so as to promote a better understanding of its work and challenges. At the same time, it has become apparent that there is limited knowledge and understanding of the Unit's mandate and working methods. To this end, the JIU is developing a communications strategy which will enable it to better share its results in appropriate yet diverse forums.

V. Work programme 2011

50. In accordance with United Nations General Assembly resolution 61/260, by which the Assembly decided to consider jointly the annual report and programme of work of the Joint Inspection Unit during the first part of its resumed session, the Unit launched the preparation of its programme of work for 2011 in July 2010.

51. The Unit invited participating organizations to submit their proposals by the end of September 2010. This process yielded a total of seventeen new suggestions together with other internal proposals and topics that were included in the roster from previous years. All internal and external proposals then underwent a thorough screening process which took into account, inter alia, the work done and planned by other internal and external oversight bodies, resource implications of the proposed review and timeliness for governing bodies and other recipients, the strategic directions drawn in the Unit strategic framework 2010-2019,⁵ as well as the potential of the review to contribute to enhanced effectiveness, efficiency, coordination and cooperation. System-wide proposals were channelled through the CEB Secretariat which ranked them by priority. The combined comments of the CEB and participating organizations were taken into account when adopting the programme of work for 2011.

52. The outcome was that the 2011 JIU work programme would include nine system-wide projects out of the 33 projects reviewed, and one covering several organizations. Additionally, in line with its strategic framework 2010-2019 aiming at a periodic and systematic review of all of its participating organizations, the Unit also selected one individual organization for a management and administrative review.

⁵ As acknowledged in United Nations General Assembly resolution 63/272.

53. Of the eleven topics on the 2011 work programme, ten would be of interest to UNIDO:

(a) A comparative analysis report on various accountability frameworks in the United Nations system (mandated by United Nations General Assembly resolution 64/259);

(b) System-wide review of the investigation function;

(c) The management of sick leave in the organizations of the United Nations system;

(d) Review of individual consultancy policy and practices in United Nations organizations;

(e) ICT governance: Best practices and benchmarks in United Nations organizations vis-à-vis other international organizations;

(f) Follow-up on the implementation of the benchmarking framework for selection and recruitment of staff in the organizations of the United Nations system;

(g) System-wide review of strategic planning mechanisms;

(h) Business continuity (BC) in the United Nations system;

(i) Staff management relations in the specialized agencies and the United Nations common system;

(j) System-wide review of safety and security.

54. Further, UNIDO notes with appreciation the continuous close cooperation between the JIU and the CEB Secretariat, which the Organization had been strongly advocating.

VI. Action required of the Board

55. In compliance with the provisions of the Statute of JIU Article 11(4), United Nations General Assembly resolution 48/221 and paragraph 9 of the pilot scheme of UNIDO follow-up to JIU recommendations, the Board may wish to take note of the information contained in the present document and provide guidance for further concrete action.

Abbreviations used in this document

CEB	United Nations System Chief Executives Board for Coordination
DESA	Department of Economic and Social Affairs (United Nations)
EMG	Environment Management Group
ERM	enterprise risk management
ERP	enterprise resource planning
FAO	Food and Agriculture Organization of the United Nations
FRR	financial regulations and rules
IAEA	International Atomic Energy Agency
IATN	Inter-Agency Travel Network
ICSC	International Civil Service Commission
ICT	information and communications technology
IIA	Institute of Internal Auditors
IPSAS	International Public Sector Accounting Standards
IT	information technology
JIU	Joint Inspection Unit
MDTF	multi-donor trust fund
NGO	non-governmental organization
NRA	non-resident agency
RIAS	Representatives of Internal Audit Services of the United Nations Organizations and Multilateral Financial Institutions and Associated International Organizations
SAI	supreme audit institution
SMART	specific, measurable, attainable, relevant and time-bound
UNCT	United Nations Country Team
UNDG	United Nations Development Group
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
UNLP	United Nations laissez-passer
UNODC	United Nations Office on Drugs and Crime
UNOG	United Nations Office at Geneva
UNOPS	United Nations Office for Project Services

Annex

Reports of the Joint Inspection Unit of relevance to UNIDO

JIU/REP/2009/8 Selection and conditions of service of executive heads in the United Nations system organizations		
	Recommendation	Responsibility
1	The legislative bodies of the United Nations, specialized agencies and IAEA, which have not yet done so, should conduct hearings/meetings with candidates running for the post of executive head, in order to enhance transparency and credibility of the selection process and to make the process more inclusive of all Member States.	Legislative organ
4	The legislative bodies of the United Nations system organizations, which have not yet done so, should establish timelines for the selection process of their executive heads ending at least three months before the expiring date of the mandate of the incumbent, in order to ensure a smooth transition between the incumbent and the incoming executive head.	Legislative organ
5	The legislative bodies of the United Nations system organizations should request all candidates for the post of executive head to submit, together with their curriculum vitae, a certificate of good health signed by a recognized medical facility.	Legislative organ
6	The legislative bodies of the United Nations system organizations should adopt provisions to limit the terms of their executive heads to a maximum of two successive terms not exceeding five years each, if such provisions have not yet been adopted.	Legislative organ
7	The legislative/governing bodies of the United Nations system organizations should condemn and prohibit unethical practices such as promises, favours, invitations, gifts, etc., provided by candidates for the post of executive head or their supporting governments during the selection/election campaign, in return for favourable votes for certain candidates.	Legislative organ
9	The legislative bodies of the United Nations system organizations should adopt provisions comprehensively addressing conflicts of interest pertaining to, and/or wrongdoing/misconduct allegedly committed by, executive heads, if such provisions have not yet been adopted.	Legislative organ
10	The legislative bodies of the United Nations system organizations should direct the internal oversight or ethics office/function, as appropriate, or JIU to conduct investigations into alleged cases of wrongdoing or misconduct, including retaliation and irregularities relating to financial disclosure statements, allegedly committed by executive heads of system organizations. The investigating authority should report the outcome of the investigation directly to the legislative body of the respective organization for action on the matter. The JIU, however, can undertake on its own initiative such investigations, should it so decide.	Legislative organ
12	The legislative bodies of the United Nations system organizations should establish rigorous policies regarding the acceptance of gifts, honours, decorations, etc., by their executive heads, where no such policies currently exist.	Legislative organ
13	The legislative bodies of the United Nations system organizations should include in the terms of appointment of their executive heads a provision for a possible termination allowance based on International Civil Service Commission (ICSC) standards, where such a provision is missing.	Legislative organ

JIU/REP/2009/9 The role of Special Representatives of the Secretary-General and resident coordinators – A benchmarking framework for coherence and integration within the United Nations system		
	Recommendation	Responsibility
1	The legislative organs are invited to adopt this benchmarking framework as a yardstick to guide and measure efforts towards a more efficient and effective organization, which would better serve the needs of countries.	Legislative organ
	Benchmark 1 The coherence and integration process is effectively guided by Member States.	
	Benchmark 2 Security Council mandates are specific, measurable, attainable, relevant and time-bound (SMART) with sufficient resources to match.	
	Benchmark 3 A binding institutional framework for the United Nations system defines the operational doctrine, division of labour, rules of engagement, guidelines and procedures, agreed by CEB and approved by relevant legislative organs.	
	Benchmark 4 Effective Department of Peacekeeping Operations (DPKO)/Department of Political Affairs (DPA) concerted efforts and coordination mechanisms are in place.	
	Benchmark 5 Existing inter-agency coordination mechanisms are effectively promoting integration and coherence throughout the system.	
	Benchmark 6 The United Nations system interacts with its external partners from civil society, Bretton Woods institutions, regional organizations and the private sector in a coherent manner.	
	Benchmark 7 Regional Coordination Mechanisms and Regional Directors' Teams are effectively promoting coherence and integration at the regional, subregional and country level.	
	Benchmark 8 The coherence process within the United Nations system upholds the sovereign role of each country in defining its "needs and wants" and setting its priorities.	
	Benchmark 9 A common mindset, conceptualization, understanding, shared vision, approach and sense of ownership among the United Nations organizations represented in the country.	
	Benchmark 10 The existence of a flexible integration model to respond to the specific and changing needs of each country, determined through a needs assessment carried out by/or in full consultation with the United Nations Country Team (UNCT) and the host country.	

JIU/REP/2009/9 The role of Special Representatives of the Secretary-General and resident coordinators – A benchmarking framework for coherence and integration within the United Nations system		
	<p>Benchmark 11</p> <p>A selection process of mission leaders through CEB is in place to ensure the appointment of highly qualified managers with full authority over representatives of all United Nations system organizations in the country.</p>	
	<p>Benchmark 12</p> <p>Leaders receive the necessary training/induction to perform their functions effectively.</p>	
	<p>Benchmark 13</p> <p>The “One leader” at country level is empowered with the necessary authority and held accountable to the CEB machinery for successfully implementing the “One plan”.</p>	
	<p>Benchmark 14</p> <p>Representatives of the United Nations system are given the resources to exercise the coordination responsibilities entrusted to them effectively.</p>	
	<p>Benchmark 15</p> <p>A results-based approach is applied to ensure a coherent and integrated planning, programming, budgeting, implementation, monitoring, evaluation and reporting process from the very outset of the preparation of the “One plan”.</p>	
	<p>Benchmark 16</p> <p>A funding mechanism exists that includes all United Nations system organizations present in the field, the host country, the Bretton Woods institutions, bilateral and multilateral donors, international and national non-governmental organizations (NGOs) and other members of civil society, to ensure coherence, integration and correlation between need assessments and available resources.</p>	
	<p>Benchmark 17</p> <p>A “One United Nations house” is set up where United Nations system organizations in the country share common premises and services while related savings are reinvested in development activities within the country.</p>	
	<p>Benchmark 18</p> <p>Civil society representatives, Bretton Woods institutions, group donors and the private sector participate in the “One United Nations” process at country level.</p>	

JIU/REP/2010/1 Environmental profile of the United Nations system organizations: Review of their in-house environmental management policies and practices		
	Recommendation	Responsibility
4	<p>The executive heads of the organizations, in consultation with the Chief Executives Board, should:</p> <p>(a) Put in place common administrative and financial guidelines to integrally record and report in the proper budget lines those expenditures incurred both in reducing CO₂ emissions and in purchasing carbon offsets for the implementation of the Strategy for a climate-neutral United Nations; and</p> <p>(b) Improve the measurement and reporting of the environmental practices and expenditures of their organizations through the use of the environmental management accounting document developed by the United Nations Department of Economic and Social Affairs (DESA) so as to better disclose financial and environmental decisions.</p>	Executive head
6	<p>The executive head(s) of organization(s) should negotiate, wherever appropriate, with the host country(ies) where their respective organizations are located agreements providing for support by the host country for the implementation of the plans and policies of United Nations system organizations to green their premises and offices, ultimately to be added as an annex to the headquarters agreement.</p>	Executive head
7	<p>The Secretary-General, acting as Chairman of the Chief Executives Board, should:</p> <p>(a) Extend his leadership, with the assistance of the Executive Director of UNEP, in promoting system-wide overall in-house environmental management policies;</p> <p>(b) Issue a statement of his initiative through the CEB towards defining a time-bound common framework for in-house environmental strategies designed to promote compliance by its member organizations with all multilateral environmental agreements;</p> <p>(c) Ensure that each executive head of CEB member organizations establishes, implements, and improves an environmental management system adapted to their situation and based on an environmental management policy.</p>	Executive head
8	<p>The executive heads of those organizations participating in the United Nations centres common support services in the locations where their premises and offices are established should agree to introduce environmental considerations based on local best practices and adopt an environmental management system to be mainstreamed into the management of their common facilities and building and procurement services.</p>	Executive head
9	<p>The executive heads of the Organizations of the United Nations system should define, where appropriate in consultation with their governing bodies, the legislative basis and common norms and standards applicable to their in-house environmental management system, based on best practices identified within the system. They should also ensure that their respective staff are fully aware of and responsible for this policy through the promulgation of internal instructions and information accessible to all.</p>	Executive head
10	<p>The executive heads of the United Nations system organizations involved in field activities should establish in-house sustainable procurement policies and guidelines, taking account of the local conditions of the host country and the needs of field offices.</p>	Executive head

JIU/REP/2010/2 Review of travel arrangements within the United Nations system		
	Recommendation	Responsibility
1	The executive heads of United Nations system organizations should support the activities of the Inter-Agency Travel Network (IATN) through active participation and attendance of their respective travel managers at their annual meetings and encourage the adoption of the IATN statutes stating their goals, objectives and procedures.	Executive head
4	The executive heads at United Nations system organizations should ensure that information on travel policies (including entitlements and procedures) is updated and made easily available to staff.	Executive head
5	The executive heads of United Nations system organizations should ensure inclusion in the travel arrangements workflow of provisions for the staff member to indicate, thereby assuming responsibility, that he/she has undertaken the required security training and requested security clearances, obtained medical clearance for travel when applicable, requested the required visas and possesses a valid United Nations laissez-passer (UNLP), should such requirements not be in place.	Executive head
7	The executive heads of United Nations system organizations should incorporate procedures accepting self-certification of the travel as authorized, for those travel claims for which no additional funds have been requested by the traveller.	Executive head
8	The executive heads of United Nations system organizations should strengthen procedures, if this has not already been done, imposing severe penalties for cases of fraudulent travel claims.	Executive head
9	The governing bodies of United Nations system organizations should request the executive heads to provide reports on travel expenditures by reporting period and steps taken to rationalize travel costs.	Legislative organ

JIU/REP/2010/3 Ethics in the United Nations system		
	Recommendation	Responsibility
1	The legislative bodies of the smaller organizations should direct their respective executive heads to put forward proposals for providing the ethics function through either a joint ethics office established by a group of organizations on a cost-sharing basis or in-sourcing to the ethics office of another organization on a cost-sharing/cost recovery basis.	Legislative organ
2	The executive heads should ensure that the post of head of the ethics office in their respective organizations has ethics qualifications and experience as a requirement, and this should be included in the job description for the post and in the vacancy announcement.	Executive head
3	The executive heads should ensure that the vacancy for the appointment of the head of the ethics office in their respective organizations is open to both internal and external candidates on an equal basis, and that the vacancy announcement is widely publicized.	Executive head
4	The executive heads should ensure that the vacancy announcement for the appointment of the head of the ethics office in their respective organizations is prepared in full consultation with the staff representatives.	Executive head

JIU/REP/2010/3 Ethics in the United Nations system		
	Recommendation	Responsibility
5	The executive heads should ensure that a staff representative serves on the appointment board for the selection of the head of the ethics office.	Executive head
6	The legislative bodies should direct their respective executive heads to apply term limits to the appointment of the head of the ethics office, which should be a non-renewable appointment of seven years, or no more than two consecutive appointments of four or five years, with no possibility of re-employment by the same organization.	Legislative organ
7	The legislative bodies should direct their respective executive heads to ensure that the head of the ethics office submits an annual report, or a summary thereof, unchanged by the executive head, directly to the legislative body, together with any comments of the executive head thereon.	Legislative organ
8	The legislative bodies should direct their respective executive heads to ensure that the head of the ethics office has informal access to the legislative bodies which is enshrined in writing.	Legislative organ
9	The executive heads of United Nations system organizations who have not already done so should expedite the process of seeking membership for their respective organizations in the United Nations Ethics Committee.	Executive head
10	The executive heads should ensure that mandatory ethics training is provided to all staff of their respective organizations, and should take the lead by participating in this training, including mandatory refresher courses that should take place every three years.	Executive head
11	The executive heads should undertake biennial staff surveys on integrity awareness and publicize the results on the Intranets of their respective organizations.	Executive head
12	In cases where a prima facie case of retaliation or threat of retaliation has been found by the organization's ethics office and the internal oversight office declines to undertake the investigation, the executive head, or the head of the ethics office, should refer the matter to the Joint Inspection Unit for investigation.	Executive head
13	The executive heads of those organizations that have not already done so should introduce a comprehensive financial disclosure policy as a matter of urgency, including annual review and random verification by the respective ethics offices of the financial disclosure statements of all officials concerned.	Executive head
14	Executive heads should ensure that the head of the ethics office in their respective organizations is a member of the senior management group and participates in all of its meetings, and should promulgate an administrative instrument to that effect.	Executive head
15	The executive heads should hold an annual "town hall" meeting with the staff including a specific agenda item on ethics.	Executive head
16	The legislative bodies should direct their respective executive heads to file a financial disclosure statement, which should be reviewed in the same manner as for all other staff members who are required to file such statements.	Legislative organ

JIU/REP/2010/3 Ethics in the United Nations system		
	Recommendation	Responsibility
17	The legislative bodies should direct their respective executive heads to put forward proposals for an internal mechanism to be established that would set out the modalities for the ethics office and/or the internal oversight service to investigate or undertake reviews of allegations brought against the executive head of the organization, including reporting the outcome of the investigation or review directly to the respective legislative body.	Legislative organ

JIU/REP/2010/4 Review of enterprise risk management (ERM) in the United Nations system: Benchmarking framework		
	Recommendation	Responsibility
1	Executive heads should adopt the first nine benchmarks set out in this report, with a view to ensuring that the ERM approach is accepted and implemented in line with best practices.	Executive head
2	Governing bodies should exercise their oversight role regarding the adoption of ERM benchmarks set out in this report, the effectiveness of implementation and the management of critical risks in their respective organizations.	Legislative organ

JIU/REP/2010/5 The audit function in the United Nations system		
	Recommendation	Responsibility
1	The internal audit/oversight head should review, at least every three years, the content of the internal audit charter and financial regulations and rules (FRR) pertaining to internal audit for compliance with the International Standards for the Professional Practice of Internal Auditing and present the results of such a review to the executive head and the oversight/audit committee, and any proposed change should be submitted to the legislative/governing body for approval, in order to enhance the independence, role, status and functional effectiveness of the audit function.	Internal audit/ Oversight head
2	The internal audit/oversight heads at the United Nations organizations should confirm the independence of the internal audit function annually to the audit/oversight committee, which should report to the legislative/governing body on any threat to or interference with the independence of the internal audit activity and suggest remedial measures, so as to enhance its effectiveness.	Internal audit/ Oversight head
3	The legislative/governing bodies should direct the executive heads of the United Nations system organizations concerned to facilitate the submission of the internal audit planning and audit results to the audit/oversight committees, where appropriate, for the latter's review.	Legislative organ
4	The executive heads of United Nations organizations should ensure that audit staff are selected in accordance with staff regulations and rules, based on audit qualifications and experience as the main selection criteria. These staff should be selected independently from management and administrative influence, so as to ensure fairness and transparency, increased effectiveness and independence of the internal audit function.	Executive head

JIU/REP/2010/5 The audit function in the United Nations system		
	Recommendation	Responsibility
5	The internal audit/oversight heads should ensure that recruited staff possess audit or other relevant experience as well as professional certification in audit or accounting at entry level/promotion, in line with best practices.	Internal audit/ Oversight head
7	To enhance efficiency, the legislative/governing bodies at the organizations concerned should direct executive heads to review audit staffing and the budget prepared by the internal audit/oversight head, taking into consideration the views of the audit/oversight committees, where appropriate, and should suggest to the executive heads an appropriate course of action, to ensure that the audit function is adequately resourced to implement the audit plan.	Legislative organ
8	To enhance accountability and transparency, the legislative/governing bodies concerned should require the internal audit/oversight head to submit to them, annually in writing, his or her report on the results of the audit activity and to publish such annual reports on the organizations' websites. The annual reports should refer to the implementation of the audit plan, major risks, the audit ranking of the audited entities, governance and control issues, key findings, recommendations and implementation of prior outstanding recommendations, as well as to any independence, resources or other issues that impact negatively on the effectiveness of the audit activity. (The annual report on the internal audit activity may be a part of a larger report, depending on the oversight activities under the responsibility of the internal audit/oversight head.)	Legislative organ
9	Senior management and internal audit/oversight heads should, as appropriate, improve their systems to follow-up the implementation of audit recommendations in line with best practices including electronic tracking, monitoring, reporting to executive heads or a management committee at least biannually and to governing/legislative bodies annually, and disclosure of non-implemented high-risk audit recommendations. For the same reason, senior management should ensure timely provision of information on the status of implementation of recommendations to the internal audit/oversight heads. Necessary resources should be allocated to strengthen/establish the system or approval should be sought from legislative/governing bodies to that end.	Internal audit/ Oversight head
10	To ensure transparency and accountability, the legislative/governing bodies at the United Nations system organizations concerned should ensure that internal audit is subject to independent external quality assessment or self-assessment with external independent validation in line with the Institute of Internal Auditors (IIA) standards every five years and should ascertain that corrective action is taken to bring the internal audit activity into general conformity with IIA standards.	Legislative organ
12	The legislative bodies of the United Nations system organizations should, after consulting the independent audit/oversight committee, select an external auditor among competitive and interested supreme audit institutions (SAIs) for a term of four to six years, not immediately renewable. Candidacies should be screened by a subsidiary committee of the legislative/governing body against established criteria/requirements including rotation and geographical representation.	Legislative organ

JIU/REP/2010/5 The audit function in the United Nations system		
	Recommendation	Responsibility
13	To enhance accountability and transparency, the legislative/governing bodies should require that the financial statements be finalized no later than three months after the end of the financial period to enable the external auditor to submit his/her report, first to the audit/oversight committee and then, no later than six months after the end of the financial period to the legislative/governing body, and to have it published on the website of the organization.	Legislative organ
14	The legislative/governing bodies in the United Nations system organizations direct the executive heads at each organization to inform them of all third-party audit/verification requests, after consulting the audit/oversight committees and the external auditors.	Legislative organ

JIU/REP/2010/6 Preparedness of United Nations system organizations for the International Public Sector Accounting Standards (IPSAS)		
	Recommendation	Responsibility
1	The legislative bodies should request their respective executive heads to issue regular progress reports on the implementation status of IPSAS.	Legislative organ
2	The legislative bodies should provide the appropriate support, staffing and funding required to ensure successful and effective transition to IPSAS.	Legislative organ
3	The executive heads should ensure that the set of 16 best practices identified in the present JIU report is applied when implementing the IPSAS project.	Executive head

JIU/REP/2010/7 Policies and procedures for the administration of trust funds in the United Nations system		
	Recommendation	Responsibility
1	The legislative bodies of the United Nations system organizations should strengthen the integrated management of the regular budget and extrabudgetary resources in order to ensure that the extrabudgetary resources, including the trust funds, are in line with the strategic and programmatic priorities of the organizations.	Legislative organ
2	The legislative bodies of the United Nations system organizations should invite all donors to respond favourably to the efforts made by the organizations to increase the portion and volume of thematic trust funds and other types of pooled funds, in order to facilitate more efficient trust fund management.	Legislative organ
3	The executive heads of the United Nations system organizations should ensure that risks related to trust funds are assessed, and measures are taken to manage them.	Executive head
4	The executive heads of the United Nations system organizations should review, consolidate and update existing legal instruments relating to the administration and management of trust funds in their organizations, and ensure that they are available to and accessible by all staff concerned in a user-friendly format.	Executive head

JIU/REP/2010/7 Policies and procedures for the administration of trust funds in the United Nations system		
	Recommendation	Responsibility
7	The legislative bodies of the United Nations system organizations should review the harmonized cost recovery policies and principles for trust funds and activities financed by other extrabudgetary resources, once they have been agreed within the CEB, with a view to updating the cost recovery policies of their organizations accordingly.	Legislative organ
8	The executive heads of the United Nations system organizations should ensure that their current and future enterprise resource planning (ERP) systems can provide the required financial data for managing, monitoring and reporting on trust funds and trust-fund-financed activities.	Executive head
9	The executive heads of the United Nations system organizations should review and update the provisions for delegation of authority with regard to trust fund management with a view to adjusting to the changing and increasing role of the regional and country offices.	Executive head
10	The executive heads of the United Nations system organizations should ensure that training programmes for field staff include adequate training on trust fund administration and management.	Executive head
11	When preparing their internal audit plan, the heads of internal audit in the United Nations system organizations should ensure that appropriate attention is given to the risks directly related to the operation and management of trust funds, including, but not limited to, large trust funds.	Executive head
13	The Secretary-General, in his capacity as Chairman of the CEB, should request the United Nations Development Group (UNDG) to review the current framework for auditing multi-donor trust funds (MDTFs) in close collaboration with the heads of internal audit of the organizations participating in MDTFs, with a view to incorporating risk-based planning concepts, enhancing MDTF audit coverage, and achieving more integrated audits.	Executive head

JIU/REP/2010/8 Inter-agency staff mobility and work/life balance in the organizations of the United Nations system		
	Recommendation	Responsibility
4	The executive heads of the organizations of the United Nations common system should review their internal staff mobility and/or staff rotation schemes from a system-wide perspective, in order to make them supportive, consistent and coherent with inter-agency mobility initiatives.	Executive head
5	In the context of the CEB, the executive heads of the organizations of the United Nations common system should review their internal relevant rules, with a view to granting that all vacant posts within their respective organizations are open to all United Nations staff members, including those working in other system organizations on an equal basis as those established for their own staff.	Executive head
9	The legislative bodies of the organizations of the United Nations common system should bring to the attention of the host countries' authorities the need to facilitate the access to local labour markets for the spouses of staff members of international organizations, through, inter alia, the granting of work permits or similar arrangements.	Legislative organ
10	The executive heads of the organizations of the United Nations common system should systematically assess the performance of work/life balance programmes periodically and include, inter alia, a cost-benefit analysis of such programmes as part of their regular performance reporting.	Executive head