

Annex 4: UNOPS 2016 annual report on the recommendations of the Joint Inspection Unit

I. Summary

This annex presents the responses of UNOPS management to the recommendations issued by the Joint Inspection Unit (JIU) in those of its 2016 reports that are relevant to UNOPS. The provision of this annex is in accordance with the recommendation given in the JIU management letter JIU/ML/2016/14 '*Acceptance and Implementation of JIU Recommendations by the United Nations Office for Project Services (UNOPS)*' that the UNOPS Executive Director set up a system to report to the Executive Board on JIU reports and recommendations.

In 2016, the JIU issued eleven reports, of which eight are directed to UNOPS.¹ These are discussed in table 1 below.

The annexure includes an update on the implementation status of recommendations contained in reports issued by the JIU from 2009 to 2015.

The annexure also highlights recommendations directed to the legislative bodies of the United Nations system organizations, especially those aspects in the JIU reports that have particular relevance to the work of UNOPS.

¹ The three reports that were not directed to UNOPS are JIU/REP/2016/1 '*Review of Management and Administration in the International Telecommunication Union (ITU)*', JIU/REP/2016/3 '*Comprehensive review of United Nations system support for small island development states: Initial findings*', and JIU/REP/2016/5 '*Evaluation of the contribution of the UN Development System to strengthening national capacities for statistical analysis and data collection to support the achievement of the MDGs and other internationally-agreed goals*'.

II. Overview of Joint Inspection Unit reports issued in 2016

Of the 47 recommendations relevant to UNOPS, 33 are addressed to UNOPS management and 14 are addressed to the legislative bodies.

Table 1: JIU reports directed to UNOPS in 2016

| Reference | Name of report | Addressed to Executive Head | Addressed to governing body | Total number of recommendations |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|---------------------------------|
| JIU/REP/2016/2 | Succession planning in the United Nations system organizations | 2 | 1 | 3 |
| JIU/REP/2016/4 | Fraud prevention, detection and response in United Nations system organizations | 14 | 2 | 16 |
| JIU/REP/2016/6* | Meta-evaluation and synthesis of United Nations Development Assistance Framework evaluations, with a particular focus on poverty eradication | 1 | 0 | 1 |
| JIU/REP/2016/7* | Comprehensive review of United Nations system support for small island developing states: final findings | 1 | 7 | 8 |
| JIU/REP/2016/8* | State of the internal audit function in the United Nations system | 5 | 2 | 7 |
| JIU/REP/2016/9* | Safety and security in the United Nations system | 4 | 0 | 4 |
| JIU/REP/2016/10* | Knowledge management in the United Nations system | 3 | 0 | 3 |
| JIU/REP/2016/11* | Administrative support services: The role of service centres in redesigning administrative service delivery | 3 | 2 | 5 |
| Total | | 33 | 14 | 47 |

* These reports were issued in 2017 and at the time of this report the recommendations have yet to be loaded in the JIU web-based tracking system for UNOPS input on acceptance and implementation. The UNOPS management has reviewed all reports and relevant recommendations. Pursuant, the implementation status for the 47 JIU recommendations issued in 2016 is estimated to be: 9 (19%) not relevant/accepted; 26 (55%) implemented; and 12 (26%) in progress.

III. Synopsis and review of relevant Joint Inspection Unit reports and recommendations in 2016

(a) Succession planning in the United Nations system organizations (JIU/REP/2016/2)

This was a system-wide review conducted by the JIU to: (a) follow up and assess the progress made in developing a framework for a succession planning strategy and implementing relevant policies; (b) identify succession planning challenges and propose solutions; (c) identify and disseminate best/good practices; and (d) propose benchmarks for succession planning.

The report contained three recommendations, two of which are addressed to the Executive Head and one to the governing bodies.

UNOPS welcomes this report; the recommendations that were relevant have been implemented. UNOPS issued a revised version of Organizational Directive 39 ‘Talent Management Framework’ in September 2015 and issued a related Administrative Instruction AI/PCG/2016/02 in July 2016 to address the recommendations of this report.

The UNOPS approach to talent management is designed to address strategic organizational priorities, and is driven by current and future organizational needs, including a global perspective on key roles. Through the Talent Management Framework, UNOPS establishes an integrated talent management approach including strategic workforce planning, succession planning, talent benches, selection and hiring, performance management and professional development, to ensure that UNOPS personnel and the organization are best equipped to meet current and future challenges.

(b) Fraud prevention, detection and response in United Nations system organizations (JIU/REP/2016/4)

This report examined fraud prevention, detection and response in the United Nations system at the conceptual and operational levels and advocates the adoption of a Fraud Management Framework that seeks to provide guidance on ways of dealing with fraud.

The report was welcomed by UNOPS especially since it did not advocate a “one-size-fits-all” approach to tackling fraud in the United Nations system; rather, it stressed the need to adapt the proposed Fraud Management Framework to the requirements and specificities of each organization.

The report contained 16 recommendations, 14 of which were addressed to the Executive Head and two to the governing bodies. All were considered relevant and were accepted by UNOPS. Twelve recommendations have already been implemented by the organization, and the remaining four are in progress.

(c) Meta-evaluation and synthesis of United Nations Development Assistance Framework evaluations, with a particular focus on poverty eradication (JIU/REP/2016/6) *

A review was conducted by the JIU with the specific purpose to:

- Conduct an assessment of framework evaluations in the period 2009-2014 to determine the overall quality, credibility and use of evaluations, in order to provide advice on possible improvements and adjustments to existing framework evaluation guidelines
- Identify key findings, conclusions and recommendations of framework evaluations undertaken in the period 2009-2014 in order to assess the contribution of the United Nations system in achieving national development goals for planning and adjustments to current strategies

The report contained only one recommendation that is of relevance to UNOPS which is addressed to the Executive Head and is being reviewed. UNOPS has accepted the recommendation and is waiting for guidance from the Chief Executives Board for Coordination on how it can best be implemented system-wide in the United Nations.

(d) Comprehensive review of United Nations system support for small island developing states: final findings (JIU/REP/2016/7) *

This report assesses the system-wide coherence of the United Nations system support in implementing the Small Island Developing States Accelerated Modalities of Action (SAMOA) pathway within the context of other relevant global mandates, with an emphasis on the linkages with the overarching objective of sustainable development, following the adoption of the 2030 Agenda for Sustainable Development (General Assembly resolution 70/1). The priority areas as identified in the SAMOA pathway (General Assembly resolution 69/15), the blueprint agenda for sustainable development of small islands developing states (SIDS), entail linkages with many other global mandates that are consistently addressed as transversal issues in “delivering as one” in the field.

The report contained eight recommendations; one was addressed to the Executive Head and seven to the governing bodies.

Two of the recommendations have been accepted with implementation in progress. Six of the recommendations, are not relevant to UNOPS.

(e) State of the internal audit function in the United Nations system (JIU/REP/2016/8) *

UNOPS welcomed this report which, as the JIU noted, was intended to strengthen an already sound internal audit function in United Nations system organizations. The recommendations support and complement those of previous JIU reports dealing with internal audit.

The report contained nine recommendations, seven of which are addressed to UNOPS. Of these seven, five are addressed to the Executive Head and two to the governing bodies.

UNOPS welcomes these recommendations and notes that all the recommendations with relevance to the organization have been implemented within the current structure of the internal audit function.

(f) Safety and security in the United Nations system (JIU/REP/2016/9) *

The report looked at the following areas on security within the United Nations systems: security culture, security related information management, safety and security standards, security crisis management and surge capacity, and resources and finance.

The report contained four recommendations, all of which are addressed to the Executive Head. UNOPS accepted one of the recommendations, three were not accepted.

(g) Knowledge management in the United Nations system (JIU/REP/2016/10) *

The review of knowledge management in the United Nations system was based on the conviction that knowledge is a valuable core asset of the United Nations system organizations and their best comparative advantage. The effective utilization of knowledge both in the organizations and system-wide is critical for achieving the goals of the system.

The main purpose of the review was to identify best practices to be considered, emulated and adapted in accordance with the resources and needs of each organization. From that perspective, the modest purview of the present report is a knowledge management exercise in itself as it showcases initiatives and experiences that already exist in the United Nations system.

UNOPS welcomed this report given that the JIU endorses solutions and proposes new approaches with respect to the system-wide recommendations following on JIU/REP/2007/6 on the same topic.

The report contained 7 recommendations, three of which were of relevance to UNOPS and all recommendations were addressed to The Executive Head.

(h) Administrative support services: the role of service centres in redesigning administrative service delivery (JIU/REP/2016/11) *

The main objective of the review was to examine the methods and practices of United Nations system organizations in redesigning how they deliver administrative support services through the use of shared services and service centres. This report stems from the efforts of United Nations system entities, including at the direction of legislative bodies, to improve the efficiency and effectiveness of administrative support services.

UNOPS welcomes the recommendations in the report. The report contained 5 recommendations all of which were relevant to UNOPS. Three of the recommendations addressed to The Executive Head have already been implemented by UNOPS. The remaining two recommendations were addressed to the governing bodies and UNOPS agree essentially with them, although implementation is to be driven conjunctively.

IV. Status of UNOPS implementation of previous Joint Inspection Unit recommendations 2009-2015

| Recommendation summary 2009-2015 | | | | | Implementation status | | |
|-----------------------------------------------|---------------------------------|-------------------------------|------------------------------|--------------------------------|-------------------------------------------------|-------------|----------------------------|
| Year | Reference | Addressed to governing bodies | Addressed to executive heads | Total number directed to UNOPS | Not accepted/ under consideration/ not relevant | Implemented | In progress/ to be started |
| 2015 | JIU/REP/2015/1 | - | 1 | 1 | - | - | 1 |
| 2015 | JIU/REP/2015/4 | 1 | 4 | 5 | 3 | - | 2 |
| 2015 | JIU/REP/2015/5 | 1 | 4 | 5 | - | 3 | 2 |
| 2015 | JIU/REP/2015/6 | 1 | 7 | 8 | 4 | 2 | 2 |
| 2014 | JIU/REP/2014/3 | 1 | 2 | 3 | 1 | - | 2 |
| 2014 | JIU/REP/2014/4 | - | 3 | 3 | - | 3 | - |
| 2014 | JIU/REP/2014/8 | 1 | 11 | 12 | - | 11 | 1 |
| 2014 | JIU/REP/2014/9 | 2 | 9 | 11 | - | 6 | 5 |
| 2014 | JIU/NOTE/2014/1 | - | 4 | 4 | - | 4 | - |
| 2013 | JIU/REP/2013/1 | 1 | 4 | 5 | - | 5 | - |
| 2013 | JIU/REP/2013/2 | 1 | 5 | 6 | 1 | 3 | 2 |
| 2013 | JIU/REP/2013/3 | - | 2 | 2 | - | 2 | - |
| 2013 | JIU/REP/2013/4 | 2 | 9 | 11 | 2 | 9 | - |
| 2013 | JIU/NOTE/2013/1 | - | 1 | 1 | - | 1 | - |
| 2012 | JIU/REP/2012/2 | 1 | 4 | 5 | 4 | 1 | - |
| 2012 | JIU/REP/2012/4 | 1 | 2 | 3 | 1 | 2 | - |
| 2012 | JIU/REP/2012/5 | 1 | 11 | 12 | 1 | 11 | - |
| 2012 | JIU/REP/2012/8 | 1 | 2 | 3 | - | 3 | - |
| 2012 | JIU/REP/2012/9 | 1 | 2 | 3 | 1 | 2 | - |
| 2012 | JIU/REP/2012/12 | 2 | 2 | 4 | 3 | 1 | - |
| 2012 | JIU/NOTE/2012/4 | - | 1 | 1 | - | 1 | - |
| 2011 | JIU/REP/2011/3 | 2 | - | 2 | 2 | - | - |
| 2011 | JIU/REP/2011/4 | 5 | 7 | 12 | - | 12 | - |
| 2011 | JIU/REP/2011/5 | 1 | 3 | 4 | - | 4 | - |
| 2011 | JIU/REP/2011/6 | 1 | 6 | 7 | - | 7 | - |
| 2011 | JIU/REP/2011/7 | 3 | 4 | 7 | - | 7 | - |
| 2011 | JIU/REP/2011/9 | 1 | 9 | 10 | - | 10 | - |
| 2011 | JIU/REP/2011/1 | - | 1 | 1 | 1 | - | - |
| 2011 | JIU/NOTE/2011/1 | - | 13 | 13 | - | 13 | - |
| 2010 | JIU/REP/2010/3 | 3 | 10 | 13 | 1 | 12 | - |
| 2010 | JIU/REP/2010/5 | 6 | 7 | 13 | - | 13 | - |
| 2010 | JIU/REP/2010/6 | 2 | 1 | 3 | - | 3 | - |
| 2010 | JIU/REP/2010/7 | 3 | 6 | 9 | - | 9 | - |
| 2009 | JIU/REP/2009/5 | 2 | 10 | 12 | 4 | 8 | - |
| Total | | 47 | 167 | 214 | 29 | 168 | 17 |
| Rate of implementation as a percentage | | | | | 14% | 78% | 8% |

V. Review of relevant JIU recommendations in 2016 for consideration by the governing body

| Report description and recommendations | Remarks |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Succession planning in the United Nations system organizations (JIU/REP/2016/2) | |
| <p>Recommendation 1 The legislative/governing bodies of the United Nations system organizations should exercise their oversight role and examine the causes for the lack of, and/or the delay in, the introduction of formal succession planning in their respective organizations, including the adequacy of current funding; and request the executive heads of these organizations to develop formal succession planning without any further delay, by the end of 2017.</p> | <p>Succession planning strategy and mechanisms have been implemented in UNOPS; please refer to OD 39 which clearly links to succession planning and the Talent Benches, specifically section 3.3, 4.3, 5.3 and 8.2.2.</p> |
| Fraud prevention, detection and response in United Nations system organizations (JIU/REP/2016/4) | |
| <p>Recommendation 1 The Secretary-General of the United Nations and the executive heads of other United Nations system organizations should, in the framework of the Chief Executives Board (CEB), adopt common definitions regarding fraudulent, corrupt, collusive, coercive, and obstructive practices and present these to their respective legislative and governing bodies for endorsement. In this regard, the definitions used by the multilateral development banks should be considered for adoption. Concurrently, a joint statement with a clear and unambiguous position on fraud should be adopted by the CEB to set an appropriate “tone at the top” on a system-wide basis.</p> | <p>A taskforce under the High Level Committee on Management has been set up and currently has a draft definition agreed, pending legislative board approvals.</p> |
| <p>Recommendation 16 The legislative and governing bodies of the United Nations system organizations should: place on their respective agendas a permanent or standing item relating to fraud prevention, detection and response; review on an annual basis the consolidated and comprehensive management report presented by the executive head on anti-fraud policy and activities; and provide high-level guidance and oversight on fraud-related matters</p> | <p>UNOPS concurs with the thrust of the recommendations. At the same time it should be noted that said reporting already is covered by the UNOPS Executive Board through the report and standing item on internal audit and investigations. Thus, the Executive Board may, in determining appropriate modalities for implementing the JIU recommendation, want to assure itself that introduction of new reporting requirements do not lead to duplication of effort.</p> |
| Comprehensive review of United Nations system support for small island developing states: final findings (JIU/REP/2016/7) | |
| <p>Recommendation 1 The governing bodies of the United Nations system and of the multilateral environment agreements, taking into account the findings of the comprehensive review, should give precise system-wide coordinated guidance to the organizations so as to ensure that the priorities of the SAMOA Pathway are mainstreamed in the strategic plans, within the realm of the organizations’ mandates, and should encourage all stakeholders to make sufficient and predictable resources available for the effective and accelerated implementation of the Pathway.</p> | <p>SIDS and SAMOA Pathway priorities related to the UNOPS mandate will be reflected in UNOPS 2018-2021 Strategic Plan, which will be concluded by the fourth quarter of 2017.</p> |
| <p>Recommendation 2 The governing bodies of the United Nations system should ensure that the strategic plans and work programmes of the system organizations include specific objectives related to the implementation of the SAMOA Pathway, within the realm of their respective mandates, to be measured against a set of established key performance indicators to monitor and report on the achievements.</p> | <p>UNOPS does not consider this recommendation relevant. UNOPS is not a fund, programme or specialized agency. As a self-financed implementing organization UNOPS does not set the kind of programmatic objectives described in the report. Within the remit of its mandate UNOPS is ready to enhance its support for the priorities of SIDS through new engagements tailored to specific country priorities.</p> |

| Report description and recommendations | Remarks |
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| <p>Recommendation 3 The governing bodies of the United Nations system, in adopting the strategic plans and work programmes of the organizations, should encourage the organizations to ensure that the activities in support of sustainable development of SIDS, within the realm of the mandate of each organization, are aligned with the regional and national priorities identified by the Governments of those States, regional organizations and SIDS development partners, so as to foster the implementation of the SAMOA Pathway as the blueprint of the 2030 Agenda for Sustainable Development of SIDS.</p> | <p>UNOPS will address this recommendation through the design of new engagements within the context of SIDS.</p> |
| <p>Recommendation 4 The governing bodies of the United Nations system should request the organizations to coordinate the planning and implementation of their capacity-building activities in close consultation with the small island developing States and all partners for development so as to strengthen effectiveness and efficiency in providing support to achieve the goals defined in the SAMOA Pathway, while avoiding saturation of the absorptive capacity of SIDS at the country level.</p> | <p>Please refer to remarks on recommendation 2 of this section.</p> |
| <p>Recommendation 6 The governing bodies of the United Nations system organizations should encourage the allocation of predictable multi-year funding to facilitate the effective implementation of programmatic activities in support of the small island developing States, based on needs assessments prepared by the United Nations system organizations in consultation with SIDS and their relevant partners</p> | <p>Please refer to remarks on recommendation 2 of this section.</p> |
| <p>Recommendation 7 The legislative and governing bodies of the United Nations system organizations should ensure, based on the ongoing work of the United Nations Statistical Commission and, when relevant, on the work of the inter-agency forums and expert groups created to advise Member States, that the specificity of SIDS is explicitly considered in defining the elements of monitoring and accountability frameworks to report on progress made on the Sustainable Development Goals, so that processes and indicators are adapted to their needs and priorities identified at the national and regional levels.</p> | <p>Please refer to remarks on recommendation 2 of this section.</p> |
| <p>Recommendation 8 The governing bodies of the United Nations system organizations should coordinate their efforts in designing monitoring and accountability frameworks and tools adapted to the capacity of SIDS to monitor and report on the implementation of the SAMOA Pathway and other sustainable development-related global mandates, while avoiding the burden of multiple reporting frameworks.</p> | <p>Please refer to remarks on recommendation 2 of this section.</p> |
| <p>State of the internal audit function in the United Nations system (JIU/REP/2016/8)</p> | |
| <p>Recommendation 1 Governing bodies should direct executive heads of United Nations system organizations to ensure that their heads of internal audit/oversight and oversight committee Chairs attend the meetings of the governing bodies at least annually and are given the opportunity to respond to questions raised about their respective annual reports.</p> | <p>The UNOPS Internal Audit and Investigations Group submit its Annual Activity Report to the Executive Director for presentation to the Executive Board at the annual session in June. The head of internal audit/oversight is present to answer any questions pertaining to the annual report. Also the Chair of the Audit Advisory Committee is available to engage with the Executive Board upon its request.</p> |

| Report description and recommendations | Remarks |
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| <p>Recommendation 9 Governing bodies of United Nations system organizations should ensure that the conditions for effective, independent, expert oversight committees are in place, and that the committees are, and continue to be, fully functional in line with previous Joint Inspection Unit (JIU) recommendations, as reinforced in this report.</p> | <p>UNOPS welcomes the recommendation and agrees that oversight committees play a significant role with regard to internal audit vis-à-vis the governing bodies. This is addressed in UNOPS Organizational Directive 25 'Charter of the Internal Audit and Investigations Group'. This directive describes the mechanism through which the internal audit function can most effectively and independently provide assurance and advice to executive heads and governing bodies in full conformance with the International Standards for the Professional Practice of Internal Auditing by the Institute of Internal Auditors.</p> |
| <p>Knowledge management in the United Nations system (JIU/REF/2016/10)</p> | |
| <p>Recommendation 1 The legislative bodies, in support of their oversight and monitoring functions, should request their technical advisory bodies to examine the results, including benefits realized, of administrative service reform when considering relevant organizational budget proposals, starting with the next budget cycle.</p> | <p>UNOPS notes and welcomes the recommendation.</p> |
| <p>Recommendation 5 The General Assembly should, consequent to the current review by the International Civil Service Commission of all categories of staff, take action, if possible at its seventy-second session, to address the needs of organizations for locally recruited professional expertise for functions not limited to national content.</p> | <p>Please refer to remarks on recommendation 1 of this section.</p> |