

## Board of the Centre

79<sup>th</sup> Session, Turin, 27 - 28 October 2016

CC 79/3/6

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**FOR INFORMATION**

### THIRD ITEM ON THE AGENDA

## Follow-up to the recommendations of the Chief Internal Auditor for the year ended 31 December, 2015

### Introduction

1. The Chief Internal Auditor of the International Labour Office (ILO), who is also the Internal Auditor of the Centre, presented at the 78<sup>th</sup> Session of the Board (October 2015) a report on significant findings resulting from its internal audit assignments undertaken at the Centre in 2014.<sup>1</sup>
2. Based on a risk assessment of the Centre's business operations, the Office of Internal Audit and Oversight (IAO) issued two assurance audit reports in 2014 as follows:
  - an audit was undertaken on the internal governance at the Centre which also included the review of the Centre's risk management strategy. The final report was issued in June 2014.
  - an audit was undertaken to review various processes of the Training Programmes including the development and marketing of training activities, participant enrolment and collection, trainer selection and evaluation, delivery assessment and attendance as well as data security of participant payment information. The final report was issued in December 2014.
3. This paper reports on the follow-up action taken in 2015 on the IAO's recommendations on the above two audits. All high priority recommendations contained in the Internal Auditor's report to the Board in October 2015, along with the Centre's responses and details of completed follow-up actions, are set out in the Appendix.
4. The Centre will continue to work with the IAO and keep the Chief Internal Auditor informed on the progress of the implementation of any outstanding recommendations.

Turin, 1 September, 2016

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<sup>1</sup> CC 78/4/4.



Recommendation No.	Recommendation	Centre response	Implementation status
<b>Audits on the internal governance of the Centre</b>			
1	The Centre should consider using the checklist on key corporate governance components as a benchmark against which to measure its governance strategy. The Centre should then take steps to ensure full implementation of all areas noted in the checklist.	Using the available checklist, management reviewed each key component and all were addressed except one relating to the establishment of an Audit Committee. In this case, management felt that this was not feasible due to the size of the Centre and the additional costs involved. The current reporting mechanism was assessed as being sufficient to meet the oversight needs.	Implementation completed
2	IAO fully supports the steps taken by the Centre's senior management to embrace results-based management, and encourages it to continue to fine tune its targets.	In 2015, the Centre established indicators to monitor various outcomes in its Strategy Plan and Programme and Budget. In 2016-17, the Centre continued to refine its indicators in order to better assess its performance.	Implementation completed
3	ILO Procurement should be requested to conduct specific training to the Centre's Contracts Committee members and designated business owners. This should be carried out on a periodic basis to help ensure that the Contracts Committee remains current with latest UN procurement practices.	The Centre is presently reviewing its procurement policy, rules and procedures as well as its process with the view of the adoption of an automated workflow. Once this is completed, training will be developed and delivered to all of the Contracts Committee members as well as all business owners.	Progress on-going
4	In subsequent revisions of the Centre's IT Strategy Plan, the IT Department should work in conjunction with Finance to include IT cost projects for all major initiatives outlined in the plan and incorporate them into future programme and budget documents for presentation to the Board for approval.	The IT department works closely with Finance to provide cost estimates of all major initiatives outlined in its IT Strategic Plan and these are included in the Centre's Programme and Budget.	Implementation completed

Recommendation No.	Recommendation	Centre response	Implementation status
5	To build on the good work that has already taken place, the Centre should enlist the support of the ILO risk control officer, or hire a consultancy firm to help it to further develop its risk management methodology.	The Centre, in consultation with the ILO risk control officer, obtained all available material on risk management at the ILO. Jointly with other references, a new Circular outlining the Centre's risk management policy and framework was issued in March 2016. Training was also provided to management and all Programme Managers in late 2015.	Implementation completed
6	In order to improve accountability, IAO would advocate the reinstatement of target dates in the risk register, which should be as specific and realistic as possible. Any items significantly passing the target date in the risk register and in the risk mitigation action plan should be brought to the Director's attention.	The Centre, through its Risk Management Committee, regularly reviews the progress on the implementation of the mitigation actions required for each identified risk and has estimated target dates which are documented in the minutes. A report is submitted to the Director on any issues encountered in their implementation.	Implementation completed
7	The Centre should reconsider those items currently disclosed in its risk register to ensure they address all of the critical risks the Centre faces, and include additional risks as necessary following analysis and input from operational managers. The Centre should also review how it calculates residual risk.	The Centre, through its Risk Management Committee, regularly reviews the corporate risks identified as a result of the detailed risk analysis carried out by each unit of the Centre. A methodology has been developed to assess the inherent and residual risks and this has been implemented.	Implementation completed
8	IAO supports the creation of risk registers at a unit level to feed into the overall register. The Centre should have a risk register for its training activities.	All units of the Centre now complete risk registers which are then rolled-up to support the corporate risk register.	Implementation completed
9	The Centre should finalise its Business Continuity Plan (BCP), seeking advice as necessary from ILO. However, the Centre should not wait for the ILO to complete its BCP before finalizing its own BCP.	The Business Continuity Plan is nearly completed and is expected to be finalised in late 2016.	Progress on-going

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10	Before the BCP is finalized, the Centre should review and revise the IT component as necessary to ensure that the assumptions in the earlier version remain valid, and that this includes a cost benefit analysis of having off-site back-up.	The off-site back-up Data Centre and other IT components are included in the 2016-17 Strategic Plan. This is also captured in the Business Continuity Plan at a higher level.	Implementation completed
11	The Centre should create a rapid response team and ensure that sufficient training is provided to ensure that necessary action can take place as quickly as possible to deal with any emergency matters as soon as they arise.	A rapid response team has been created and terms of reference were issued in November 2014. Membership is under discussion as part of the finalisation of the BCP.	Progress on-going
12	The Centre should revise its circulars on ethics, and finalize the draft circular on the Centre's accountability framework.	A circular on the Accountability Framework was issued in February 2015. The Centre has also issued a revised circular on Ethics and Standard of Conduct in February 2015, which contains revised procedures on whistleblowing protection.	Implementation completed
13	The Centre should request the ILO Ethics Officer to annually visit the Centre to explain her role and reinforce the promotion of a strong ethical culture. The Centre developed the ILO on-line Ethics module, which could be adapted to further promote ethics at the Centre.	An invitation was sent out to the ILO Ethics Officer to visit the Centre. Management does not consider that it is necessary to adapt the ILO's on-line Ethics module at this time, as it can be used as is. The Centre has created a web page on Ethics at the Centre on the HRS Intranet which makes available to all staff information resources such as documents and the ILO on-line Ethics module.	Implementation completed
14	The Centre should adopt, and then disseminate to all staff, the Ethics Officer's "principle of conduct". This would assist the Centre's staff in understanding the need for strong sense of ethics.	A circular on ethics and standards of conduct was issued in February 2015 to all staff. The Centre has adapted the Ethics Officer's "principles of conduct" in a document entitled "Principles of Conduct of Staff of the International Training Centre of the ILO", which is now available on the Intranet web page on Ethics at the Centre.	Implementation completed

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15	Pending any review by the Centre into considerations raised by the IAO above, and given that the Centre is a controlled entity of the ILO, the Director of the Centre could present business briefings to the IOAC, as and when required, during the regular sessions of the IOAC held in Geneva.	In September 2015, the Director of the Centre attended the meeting of the ILO IOAC to discuss matters affecting the Centre.	Implementation completed

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## Audit of the Training Programmes

1	The Centre should ensure that responsible managers comply fully with the established screening controls. This would help to further mitigate the reputational risk that the Centre faces from individuals who seek to abuse Schengen visas on the pretext of attending a training course at the Centre.	The Centre has again informed in writing all programme managers and discussions were held during programme managers' meetings on the due diligence process related to the selection and enrolment of participants. In consultation with the Participant Admission and Travel Unit, in charge of participant enrolment, the Centre furthermore contacted ILO field offices to jointly review and where applicable refine existing credibility checks on potential participants.	Implementation completed
2	In order to improve communication, the Centre should define an approach for sharing contacts with all participants of the pilot project, and also define a more coordinated approach for contacting target groups to enhance outreach of the training courses that the Centre can provide.	The Centre has upgraded its existing outreach campaigns, placing increased emphasis on the use of social media to reach out to larger numbers of prospective participants via the internet. The Centre has also refined the use of the Customer Resource Management software through training programmes, by improving its layout and adding message content (including a corporate promotional video).	Implementation completed
3	The Centre should develop additional guidelines to improve internal communications and sharing information amongst the Centre's training personnel and personnel from other units who provide support functions to the Training Programmes Department.	The training department now releases at least once per month a newsflash to inform internal stakeholders about developments. Programme managers' meeting notes and other documentation related to the work of the training department are posted on the intranet page of the office of the director training. Pending the subject for discussion, line managers from internal services may be invited to attend programme managers meeting. The training department also releases quarterly progress reports on its 2016-17 strategy implementation framework. The training department has finally released in February 2016 a detailed analysis of its service portfolio, with unit work plans for each training programme in attachment.	Implementation completed
4	The Centre should review the approach taken to maintaining the Centre's training portfolio and document a methodology	The Centre undertook a systematic review of its training offered in its catalogue, including the consultation of various constituents and officials. The final results reflect the conclusions reached at	Implementation completed

	<p>facilitating joint discussion across programmes for compiling the training catalogue of open courses for each individual programme. The documented methodology should state the Centre's criteria for maintaining the training portfolio, which includes the needs of the ILO's constituents, the contribution to fixed cost recovery and the representation of the ILO's values in open courses. The methodology should subsequently be reviewed and updated as necessary for knowledge sharing purposes.</p>	<p>the 2015 ILC and are now included in the Training Strategic Implementation Framework.</p>	
5	<p>The Centre should issue a circular, mandating the use of on-line course evaluation system. The circular should, set a date stipulating when the new system should be fully rolled-out. Thereafter, all Programme Managers should instruct their staff to use the on-line evaluation too.</p>	<p>The Centre issued a circular in October 2015 on the matter and all evaluations are now completed on-line.</p>	<p>Implementation completed</p>