

## Board of the Centre

81st Session, Turin, 25 - 26 October 2018

CC 81/4/4

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**FOR INFORMATION**

FOURTH ITEM ON THE AGENDA

### **Follow-up to the recommendations of the Chief Internal Auditor for the year ended 31 December, 2017**

#### **Introduction**

1. The Chief Internal Auditor of the International Labour Office (ILO), who is also the Internal Auditor of the Centre, presented at the 80<sup>th</sup> Session of the Board (October 2017) a report on significant findings resulting from its internal audit assignment undertaken at the Centre in 2016.<sup>1</sup>
2. Based on a risk assessment of the Centre's business operations, the Office of Internal Audit and Oversight (IAO) issued one assurance audit report in 2016 as follows:
  - an audit was undertaken on the external collaborator services at the Centre for which no major control weaknesses were identified. The final report was issued in August 2016.
3. This paper reports on the follow-up actions taken in 2017 on the IAO's recommendations on the above audit. All high priority recommendations contained in the Internal Auditor's report to the Board in October 2017, 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, July 2018

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<sup>1</sup> CC 80/4/4.



Recommendation No.	Recommendation	Centre response	Implementation status
<b>Audit of the external collaborator services at the Centre</b>			
1	The Centre should implement a process to ensure compliance to Financial Rules that require the Treasurer to approve any requests for advance and progress payments prior to preparing draft external collaborator contracts.	In July 2017, the Treasurer issued a new Circular on “Authority to approve advance and progress payments to external collaborators and other suppliers” which provides for clear rules and procedures advance and progress payments to all suppliers, including external collaborators, in line with the Financial Rules.	Implementation completed
2	The Centre should ensure that external collaborator contracts allow sufficient time between delivery of agreed work outputs and the payment date in order for programme managers to review the work outputs and for Finserv to process the payments.	As part of the new eProcure-to-Pay workflow implemented in Oracle on 31 July 2017, programme managers now receive on-line the work of external collaborators once their work is delivered in a satisfactory manner. Payment are then made by Finserv based on standard payment terms as of the receiving date included in Oracle.	Implementation completed