**United Nations Children’s Fund**  
Executive Board  
**First regular session 2012**  
7-10 February 2012  
Item 4 of the provisional agenda*

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**UNICEF report on the recommendations of the Joint Inspection Unit**

**Summary**

In accordance with Executive Board decision 2001/4, the present report summarizes the response of UNICEF to the recommendations contained in recent reports of the Joint Inspection Unit (JIU) that are directly relevant to UNICEF. The eight JIU reports included in this report were issued by the JIU during the period from September 2010 through September 2011.

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* E/ICEF/2012/1.
I. Introduction

1. Joint Inspection Unit reports are addressed to the executive heads of the organizations concerned, including UNICEF, and contain a series of recommendations for consideration by the executive heads and/or by the legislative bodies of the organizations. UNICEF reports to its Executive Board the completed and finalized list of JIU reviews for the year, providing inputs and comments to each review, as appropriate. In line with this practice, the present document provides, inter alia: (a) brief overview of JIU reports issued from September 2010 through September 2011 that are directly relevant to the administration and management of UNICEF, and comments regarding the applicable recommendations contained in these reports (see annex 1 for the list of JIU reports and the number of recommendations relevant to UNICEF and the UNICEF Executive Board); and (b) a summary of remarks on JIU recommendations of relevance to the UNICEF Executive Board (see annex 2). The complete reports of the JIU may be obtained through the JIU website (www.unjiu.org).

2. Since the submission of the previous UNICEF report (E/ICEF/2011/4) to the Executive Board for information during its first regular session of 2011, UNICEF has continued to work with the JIU on various reviews conducted under its auspices, as well as on the follow-up to the recommendations contained in its reports. This dialogue and interaction on issues of common interest have increased the relevance of the reports, improved implementation of recommendations and enhanced transparency. Furthermore, member organizations of the United Nations System Chief Executives Board for Coordination (CEB) have continued to cooperate in providing consolidated responses to JIU recommendations.

II. Overview of Joint Inspection Unit reports and recommendations

3. The eight JIU reports of direct relevance to UNICEF are summarized below, and additional comments are provided by UNICEF on the recommendations contained therein.

A. Review of the medical service in the United Nations system (JIU/REP/2011/1)

4. This system-wide review aimed to assess the manner in which medical services are provided, managed, supported and monitored in the United Nations system, with a view to proposing improvements that will enable the United Nations to fulfill its duty of care with regard to the health and safety of staff. This is of particular importance when considered in the context of the United Nations strategic movement towards mobility and increased field presence, and of particular relevance to staff deployed in hardship duty stations.

5. UNICEF disagrees with recommendation 3 of this review, which states:

   “Executive heads of United Nations system organizations should implement systems enabling the electronic capture/archiving of staff members’ medical records, if they are not already in place.”
It is the opinion of UNICEF that the Medical Service Division, with the appropriate resources, should be responsible for capturing all medical records of staff members, and not the individual United Nations system organizations, as medical records should be kept confidential and accessible only by medical professionals.

B. South-South and triangular cooperation in the United Nations system (JIU/REP/2011/3)

6. As requested by the High-level Committee on South-South Cooperation, the Joint Inspection Unit conducted a system-wide review of the existing United Nations institutional arrangements in support of South-South and triangular cooperation. The objective of the review is to assess the current situation and make recommendations on the ways and means of enhancing system-wide contribution to South-South and triangular cooperation, addressing issues of mandates, frameworks and policies, intergovernmental processes, structures, financing and coordination.

7. UNICEF welcomes the JIU report, and in general, supports the overall recommendation to further strengthen the application of South-South and triangular cooperation as a means to achieve sustainable results for children. UNICEF conducted a review of good practices and lessons learned in this area and issued a Programme Guidance Note with linkages to the UNICEF Programme Policy and Procedures Manual, for use by UNICEF field offices. UNICEF has been reporting for the last four years on South-South and triangular cooperation primarily through the annual report of the Executive Director to the Economic and Social Council, presented to the Executive Board at its first regular session. The key principles noted in the Guidance Note for UNICEF-supported South-South and triangular cooperation are that such cooperation: (a) be demand-driven and promote recipient ownership and leadership; (b) provide the basis for a result-oriented exchange; (c) facilitate a peer-to-peer learning process and interaction; (d) pay due attention to issues related to human rights and compliance with international standards, including those related to reaching the most deprived children and families; and (e) incorporate NGOs, civil society, parliaments, the media and the private sector wherever relevant.


8. The objective of the study was to review enterprise risk management (ERM) policies, practices and experience in the United Nations system, and to identify best practices and lessons learned. The report identifies 10 benchmarks for the successful implementation of ERM in United Nations organizations. The JIU recommends that the first nine benchmarks laid out in the report be adopted and implemented as a package by each executive head to ensure successful ERM implementation in the respective organizations. Benchmark 10, which requires inter-agency cooperation and decision-making, is recommended for action by the CEB. The report also

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recommends that governing bodies should exercise their oversight role regarding the adoption of ERM benchmarks set out in the report.

9. UNICEF welcomes the JIU report and in general agrees with the key issues it identifies, as well as with its recommendations. UNICEF management agrees that if the organization follows these benchmarks, it will make quick progress in the successful implementation of ERM. UNICEF has made significant progress in the application of ERM since the issuance of the report and the progressive implementation of recommendations addressed to heads of organizations of the United Nations system.

D. The audit function in the United Nations system (JIU/REP/2010/5)

10. The objective of the JIU review 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.

11. UNICEF welcomes the report of the JIU and recognizes that the recommendations contained therein are of relevance to strengthen the audit functions of the organizations of the United Nations system. In fact, UNICEF already follows the substance of many of the recommendations made in the report. With regard to the recommendations on the audit/oversight committees, UNICEF notes that the Audit Advisory Committee of UNICEF is established, and its charter approved, by the UNICEF Executive Director.

12. Furthermore, UNICEF notes that the JIU report, in paragraph 45, refers to Standard 2020 of the Institute of Internal Auditors (IIA) requiring a mechanism for communicating the internal audit plan and resource requirements to senior management and to the “board” for review and approval. UNICEF and other United Nations system organizations note that the definition of “board” in the IIA Standards is broad, and is intended to cover a wide range of private sector and public sector organizations. Representatives of the internal audit services of the United Nations organizations (UN-RIAS) plan to develop a consensus on what would be the appropriate application, for United Nations organizations, of the definition of the term “board” referred to in the IIA Standards.

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

13. The purpose of this report is to provide an overview of the transition to and implementation status of IPSAS in United Nations system organizations and to show how this process has been carried out by each organization, with a focus on identifying best practices and possible risks.

14. UNICEF welcomes the report and assessments of the JIU. The adoption process of IPSAS is complex and requires a significant organizational investment in management practices and the systems that support resource planning, management and reporting. However, it is also clear that IPSAS gives rise to “dividends” beyond accounting, not least in the areas of transparent financial reporting, focused
accountability and evidence- or results-based management and governance. The report recommends 16 best practices, of which 10 have already been implemented in UNICEF with the support of its executive leadership, and 6 are under implementation. The report also recognizes that, following the transition, continued investment in planning, management and financial reporting capacity is required to maintain compliance with IPSAS in the future.

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

15. The objective of the review was to assess the policies, rules and regulations in force in connection with the management and administration of trust funds, 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 in managing different types of trust funds, as well as best practices in trust fund administration, with a view to promoting system-wide coherence and enhancing the effectiveness and efficiency of trust fund management and administration.

16. UNICEF notes that the term “trust funds”, as used in the JIU reports, refers to what UNICEF terms “other resources” (restricted contributions) and “multi-donor trust funds”. This report does not address any aspects of the procurement services management and administration, which UNICEF has traditionally termed “trust funds”. UNICEF supports the recommendations made in the report. The report highlights the challenges of restricted contributions, and makes sound recommendations for their management. UNICEF notes that it prefers unrestricted contributions as a choice of funding, and where contributions are restricted, it prefers thematic funds. UNICEF welcomes discussions on multi-donor trust funds in a forum that includes all stakeholders.

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

17. The objective of the review was to assess the policies and mechanisms regulating staff mobility and work/life balance from a system-wide perspective. The report contains recommendations and a set of proposals to harmonize and enhance staff mobility and work/life balance across the United Nations system.

18. UNICEF has a work/life balance policy that is broadly harmonized with other United Nations organizations, employing the same major options for achieving work/life balance. Furthermore, UNICEF encourages inter-agency mobility, for example through inter-agency transfers, loans and secondments. The staff selection policy of UNICEF includes wide-ranging mechanisms for inter-agency collaboration, such as those that will soon be piloted under a CEB-sponsored project. UNICEF, therefore, welcomes the report by the JIU on these topics.
H. United Nations corporate partnerships: The role and functioning of the Global Compact (JIU/REP/2010/9)

19. As part of its 2009 Programme of Work, the JIU reviewed the role and functioning of the Global Compact in its Programme of Work for 2009. The objective of this review was to examine the role and degree of success of the Global Compact and the risks associated with the use of the United Nations brand by companies. The report identifies best practices, lessons learned and challenges ahead and formulates recommendations towards an effective, transparent and accountable management of this type of corporate partnership. It covers the activities of the Office from its inception until April 2010, with greater focus on the last two programmatic bienniums. This report was shared with UNICEF for information.

20. UNICEF takes note of the JIU report, the key issues it identifies, and its recommendations. UNICEF appreciates the benefits and risks of engaging with the private sector, recognizes the advantages of rigorous selection and due diligence processes, and welcomes coherence within the United Nations system in this area. UNICEF will also seek to learn from and make use of the recommendations in its own engagement with the private sector.

III. Ongoing/forthcoming Joint Inspection Unit reports and notes

21. UNICEF has been participating in the initial collection of information and preliminary discussions of several draft JIU reports currently being developed. UNICEF looks forward to presenting its comments to the Executive Board during its first regular session in 2013, as appropriate and relevant to the work of UNICEF, on some or all of the JIU reviews scheduled for completion by the end of 2011 and beyond. Below is the preliminary list of such reports:

   (a) Staff-Management relations in the United Nations (*Expected completion: 2011*)

   (b) Staff-Management relations in the specialized agencies and the United Nations Common System (*Expected completion: 2011*)

   (c) Evaluation of the scope, organization, effectiveness and approach of the work of the United Nations in mine action (*Expected completion: 2011*)

   (d) Multilingualism in the United Nations — status of implementation (*Expected completion: 2011*)

   (e) Status and way forward of procurement reform in the United Nations (*Expected completion: 2011*)


   (g) The management of sick leave in the organizations of the United Nations system (*Expected completion: 2011*)

   (h) Investigation function in the United Nations system (*Expected completion: 2011*)
(i) Business continuity in the United Nations system \((Expected\ completion:\ 2011)\)

(j) A comparative analysis report on various accountability frameworks in the United Nations system \((Expected\ completion:\ 2011)\)

(k) ICT governance in United Nations system organizations: best practices and benchmarks \((Expected\ completion:\ 2011)\)

(l) Review of individual consultancy policies and practices in United Nations \((Expected\ completion:\ 2012)\)

(m) Follow-up on the implementation of the Benchmarking Framework for selection and recruitment of staff in the organizations of the United Nations system \((Expected\ completion:\ 2012)\)

(n) System-wide review of Strategic Planning mechanisms \((Expected\ completion:\ 2012)\)

(o) System-wide review of safety and security \((Expected\ completion:\ 2012)\)
## Annex 1

**List of Joint Inspection Unit (JIU) reports and recommendations**

<table>
<thead>
<tr>
<th>JIU report symbol</th>
<th>Report title</th>
<th>Total number of recommendations contained in the report</th>
<th>Total number of recommendations of relevance to UNICEF</th>
<th>Total number of recommendations of relevance to the UNICEF Executive Board*</th>
</tr>
</thead>
<tbody>
<tr>
<td>JIU/REP/2011/1</td>
<td>Review of the medical service in the United Nations system</td>
<td>7</td>
<td>2</td>
<td>1</td>
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<tr>
<td>JIU/REP/2011/3</td>
<td>South-South and triangular cooperation in the United Nations system</td>
<td>12</td>
<td>2</td>
<td>2</td>
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<tr>
<td>JIU/REP/2010/5</td>
<td>The audit function in the United Nations system</td>
<td>18</td>
<td>13</td>
<td>6</td>
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<tr>
<td>JIU/REP/2010/6</td>
<td>Preparedness of United Nations system organizations for the International Public Sector Accounting Standards</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>JIU/REP/2010/7</td>
<td>Policies and procedures for the administration of trust funds in the United Nations system organizations</td>
<td>13</td>
<td>10</td>
<td>3</td>
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<tr>
<td>JIU/REP/2010/8</td>
<td>Inter-agency staff mobility and work/life balance in the organizations of the United Nations system</td>
<td>10</td>
<td>4</td>
<td>1</td>
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<tr>
<td>JIU/REP/2010/9</td>
<td>United Nations corporate partnerships: The role and functioning of the Global Compact</td>
<td>16</td>
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* See annex 2.
Annex 2

Summary of the remarks of UNICEF on relevant recommendations of the Joint Inspection Unit reports

<table>
<thead>
<tr>
<th>Relevant recommendations</th>
<th>Remarks</th>
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<tbody>
<tr>
<td><strong>Review of the medical service in the United Nations system (JIU/REP/2011/1)</strong></td>
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<tr>
<td><strong>Recommendation 2:</strong></td>
<td>UNICEF welcomes the recommendation towards the adoption of Occupational Safety and Health (OSH) policies and the increased emphasis on prevention. We support recommendations regarding the establishment of an OSH oversight body (para. 19); the drawing up of an OSH policy (para. 15); and recommendation 7 to establish the United Nations Network on Occupational Safety and Health.</td>
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<tr>
<td>The legislative bodies of United Nations system organizations should adopt appropriate standards with regard to Occupational Safety and Health issues, taking into account and ensuring compatibility with emerging modifications to the Minimum Operating Safety and Security Standards.</td>
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| **South-South and triangular cooperation in the United Nations system (JIU/REP/2011/3)** |
| **Recommendation 3:** | As noted in the JIU report (para. 69 and annex 1), the UNICEF Division of Policy and Practice provides policy guidance through the Programme, Policy and Procedures Manual. In addition, the division coordinates the reporting on South-South and triangular cooperation through the annual report of the Executive Director to the Executive Board and the annual report to the Economic and Social Council. To date, this arrangement has worked efficiently and at low cost. The establishment of any additional structure or mechanism may represent a duplication of efforts and could have budgetary implications. The commitment of UNICEF to support South-South and triangular cooperation through programmes of cooperation at the country level does not require any additional investments at headquarters or regional office levels. The focal point system in practice thus far assures that limited funds are used judiciously. |
| The legislative bodies of United Nations system organizations should request the Executive Heads to establish identifiable and dedicated structures, mechanisms and focal points tasked with developing agency-specific corporate policy and support strategy, and ensure coordination on South-South and triangular cooperation within their respective organizations and inter-agencies, through the reallocation of the necessary staff and resources for this purpose, as appropriate. | |
**Relevant recommendations**

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<th>Recommendation</th>
<th>Remarks</th>
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<tr>
<td>Recommendation 9:</td>
<td>UNICEF notes that the JIU report does not clearly state how the 0.5 per cent has been computed. UNICEF would like to strengthen its programming based on situation analyses and results-based management. UNICEF therefore deems the recommendation difficult to implement at this time. It may be noted that core resources (regular resources) for programmes are not centrally allocated. Therefore, it is best if this issue were discussed and jointly decided between national authorities and UNICEF within the scope of the country programme of cooperation. Strategies that are adopted at the country level are informed by the Situation Analysis and the extent to which SSC will be the strategy for pursuing results. UNICEF will continue to advocate for SSC and triangular cooperation initiatives, where relevant, for achieving sustainable results, and will report on them through the country office annual reports, the annual report to the Economic and Social Council and the annual report of the Executive Director.</td>
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**Recommendation 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.

The management of UNICEF supports this recommendation.

**The audit function in the United Nations system (JIU/REP/2010/5)**

**Recommendation 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.

UNICEF agrees with the recommendation and already follows the substance of the recommended practice.
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<th>Relevant recommendations</th>
<th>Remarks</th>
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<tr>
<td><strong>Recommendation 13:</strong> 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.</td>
<td>UNICEF supports this recommendation, which is already in place and built into the Financial Regulations and Rules of UNICEF.</td>
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<tr>
<td><strong>Recommendation 14:</strong> The legislative/governing bodies in the United Nations system organizations should 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.</td>
<td>UNICEF supports the need to inform the legislative/governing body of all requests for third-party audits. It is further noted that such requests contravene the “single audit” principle as prescribed in UNICEF Financial Regulations and Rules.</td>
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<td><strong>Recommendation 15:</strong> To enhance accountability, controls and compliance, the legislative bodies should revise the mandates of audit/oversight committees to include the review of both internal and external auditors’ performance as well as other responsibilities, including governance and risk management.</td>
<td>This recommendation is directed to the UNICEF Executive Board. However, UNICEF suggests that it would not be appropriate or even possible for the UNICEF Audit Advisory Committee, as an independent body made up of individuals appointed by the Executive Director, to review the performance as well as other responsibilities of the Board of Auditors, including governance and risk management. The Board of Auditors is appointed by the General Assembly and is constituted by national audit offices/supreme audit authorities. As it stands, the Committee cannot review their performance or other responsibilities. The charter of the UNICEF Audit Advisory Committee already specifies the responsibilities outlined in the recommendation as far as concerns internal auditors’ performance and other responsibilities outlined in this recommendation. The charter was approved by the Executive Director, who established the Committee.</td>
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<td>Relevant recommendations</td>
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<td><strong>Recommendation 16:</strong></td>
<td>The legislative bodies should require that the charter of the audit/oversight committees be reviewed regularly, at least every three years, and any change be submitted for the approval of the legislative bodies.</td>
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<td><strong>Recommendation 17:</strong></td>
<td>The legislative/governing bodies should elect/appoint the audit/oversight committee members, the number of whom should vary between five and seven members, with due regard to professional competency, geographical distribution and gender balance so as to represent the governing bodies’ collective interests. The candidates should be screened by a committee, unless the audit/oversight committee is a subcommittee of the legislative/governing bodies, to ensure compliance with the said requirements, including independence before their appointment.</td>
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<tr>
<td><strong>Preparedness of United Nations system organizations for the International Public Sector Accounting Standards (IPSAS) (JIU/REP/2010/6)</strong></td>
<td>In accordance with UNICEF Executive Board decisions 2009/7 and 2011/4 requesting regular updates on implementation, UNICEF continues to provide progress reports on IPSAS implementation to its Executive Board.</td>
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<tr>
<td><strong>Recommendation 2:</strong></td>
<td>The legislative bodies should provide the support, staffing and funding required to ensure successful and effective transition to IPSAS.</td>
</tr>
<tr>
<td><strong>Policies and procedures for the administration of trust funds in the United Nations system organizations (JIU/REP/2010/7)</strong></td>
<td>UNICEF supports this recommendation.</td>
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<tr>
<td><strong>Recommendation 1:</strong></td>
<td>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.</td>
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</table>
**Relevant recommendations**

**Recommendation 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.

UNICEF notes that unrestricted funds continue to be the preferred choice of funding, and where funds are restricted, UNICEF concurs that these funds should be thematic, as this type of funding provides UNICEF with flexibility that strict earmarking does not.

**Recommendation 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.

UNICEF supports this recommendation.

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

**Recommendation 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.

UNICEF places increased emphasis on spouse employment as a tool to facilitate the organization’s ability to attract and retain key staff members, and participates in an inter-agency initiative on “dual careers and spouse employment”. UNICEF supports this recommendation, as it would facilitate its efforts to enable the employment of accompanying spouses. Given the relevance of the subject across the United nations system, and its relevance at all United Nations duty stations globally, system-wide collaboration is recommended.

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

The recommendations in this report do not require action by the UNICEF Executive Board.