

# Board of the Centre

87th Session, October 2023

CC 87/5/4

FOR INFORMATION

## FIFTH ITEM ON THE AGENDA

### Follow-up to the recommendations of the Chief Internal Auditor for the year ended 31 December, 2022

#### I. Introduction

1. The Chief Internal Auditor of the International Labour Office (ILO), also the Internal Auditor of the Centre, presented at the 86th Session of the Board (October 2022) a report on significant findings resulting from his internal audit assignments undertaken at the Centre in 2022.<sup>1</sup>
2. Based on a risk assessment of the Centre's business operations, the Office of the Internal Audit and Oversight (IAO) issued two assurance audit reports in 2022 as follows:
  - The first audit focused on the progress of the renovation project of the Africa 10/11 pavilions, including a review of the tendering process to identify the contracting and the oversight services. This was the second audit on the project. The audit did not identify any major control weaknesses and did not contain any high significance recommendations. The final report was issued in April 2022.
  - The second audit also covered the progress of the renovation project of the Africa 10/11 pavilions, and focused inspecting the construction work site, the existence of the pre-purchased building materials by the contractor, kept on the contractor's premises as well as the review process followed by the Centre in order to settle progress payments to the contractor. This was the third audit on the project. The audit identified one area that was assessed as critical in relation to the project planning and for which four recommendations of high significance were issued. The final report was issued in September 2022.
3. This paper reports on the follow-up actions undertaken in 2022 on the IAO's recommendations on the above audits. All high priority recommendations contained in the Internal Auditor's reports to the Board in October 2021, along with the Centre's responses and details of completed follow-up actions, are set in the Appendix.

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<sup>1</sup> CC 86/4/3

4. The Centre continues to work with the IAO to keep the Chief Internal Auditor informed on the progress of the implementation of past outstanding recommendations.

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August 2023

Recommendation No.	Recommendation	Centre follow-up actions	Implementation status
<b>Audit of the Business Continuity Planning</b>			
1	Management should convene an extraordinary Steering Committee meeting in the two weeks prior to the contractual deadline of 30 September 2022 to critically assess the status of the renovation works and, if any delay is likely, management should inform the City of Turin and members of the Board accordingly.	A meeting of the Steering Committee was immediately called upon receipt of the report and was held on 19 September 2022. After discussions of the progress report by Facilities and the presentation of photos and other information, the Committee concluded that the deadline was still appropriate and that all significant works would be completed on time.	Implemented
2	During the extraordinary Steering Committee meeting, the Committee members should decide upon a plan to enforce the penalty clause stipulated in the contract, should this be necessary. The penalty clause allows the Centre to monetary compensation amounting to 1% of the contract value for each week of delay.	During the meeting, the members confirmed that it was still early to decide on the use of the penalty clause as the deadline was still a few weeks away and as all information provided pointed to the project being completed within the project deadline. At a later date, the Committee did apply the clause as there was a final delay of four weeks by the contractor.	Implemented
3	The Centre's works oversight Manager should reconcile the weekly progress updates made by the Project Team with the project plan, and should review the project plan at least weekly to ensure that it reflects the most current project status and a realistic completion date.	The project plan was immediately updated as a result of the recommendation and was kept up to date thereafter.	Implemented
4	The Project Team should add the relevant details in the project plan to manage all project tasks and ensure that all interdependencies are correctly represented.	The project plan was updated accordingly.	Implemented