

Board of the Centre

88th Session, October 2024

CC 88/4/4

FOR INFORMATION

FOURTH ITEM ON THE AGENDA

Follow-up to the recommendations of the Chief Internal Auditor issued in the year ended 31 December 2023

I. Introduction

1. The Chief Internal Auditor of the International Labour Office (ILO), also the Internal Auditor of the Centre, will present at the 88th Session of the Board (October 2024) a report on significant findings resulting from his internal audit assignments undertaken at the Centre in 2023.¹
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 2023 as follows:
 - The first audit focused on the digital governance of the Centre in order to gain assurance that its digital governance framework was in place and functioned efficiently and effectively to support the Centre's digital transformation, a key enabler of the Centre's Strategy 2022-25. The audit did not contain any high significance recommendations. The final report was issued in March 2023.
 - The second audit covered the Centre's electronic banking security (E-banking) and this included the application security, segregation of duties, user administration, super user privileges, the payment approval process as well as the security over the transfer of payment instructions from the Financial ERP system to the banking platforms. The audit identified some areas of improvement on the controls and issued one recommendation of high significance regarding the administration of user rights on one banking platform. The final report was issued in December 2023.
3. This paper reports on the follow-up actions undertaken in 2023 and in the first half of 2024 on the IAO's recommendations on the above audits. All high priority recommendations contained in the Internal Auditor's reports, along with the Centre's responses and details of completed follow-up actions, are set out in the Appendix.

¹ CC 88/4/3

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.

August 2024

Recommendation No.	Recommendation	Centre's follow-up actions	Implementation status
Audit of the E-Banking			
1	Management should implement the dual-approval functionality available in one banking platform in order to ensure the highest level of control.	Management agreed and immediately took action to modify this control on the banking platform. This was completely addressed on 20 October 2023, prior to the final audit report being issued.	Implemented