

**GB March 2021**  
**PFA Employers' written comments**

- [PFA/8](#) **Report of the Independent Oversight Advisory Committee**

The Employers' Group takes note of the skills-mapping exercise (Recommendation 1) and stress the imperative for this skills-mapping to include all categories of staff (director, professional, national and general) in both HQ and field to ensure that the ILO's core resource for its constituents meet their demands. In particular, the skills-mapping should assess the staff's capacity and skills that are relevant to meeting the needs of the three constituents.

The Group further endorses the IOAC's recommendation on pursuing a review process for handling the reporting of wrong-doings (Recommendation 2) as it is critical for the ILO to develop a culture that is transparent, fair, respectful and inclusive. All staff should feel protected to report wrong-doings through non-bureaucratic means and a retaliation of any sort should not be tolerated.

The Group also wishes to express support to Recommendation 3, which calls for Office management to react to the recommendations provided by the External Auditor. Clear response and follow-up action by management is fundamental to ensure that improvements are made and clear accountability is established.

The Employers' Group supports the revised terms of reference for the Independent Oversight Advisory Committee of the ILO, noting with appreciation:

- The inclusion under the section "Self-assessment and continuous review" of suggestions made by the Secretariat of the Employers' Group (during consultation in September 2020);
- The new text under "responsibilities" that the IOAC may provide advice to the GB in cases of allegation of misconduct or allegation of retaliation concerning the DG;
- The new text under "selection, appointment and term" regarding the induction of new IOAC members, which would overall enable the quick on-boarding of new members.

**Governing Body – 341<sup>st</sup> Session, March 2021**  
**Programme, Financial and Administrative Section**  
**Audit and Oversight Segment**

**Workers' Group Comments**

**Document for Ballot by Correspondence**

**GB.341/PFA/8**

**Report of the Independent Oversight Advisory Committee**

We thank the IOAC for its annual report. We welcome the Committee's satisfaction on the timely submission of the 2019 consolidated financial statements, the completion of the external audit with an unmodified audit opinion, the streamlined risk management framework and the content of the statement of internal control.

We also noted that the IOAC complimented the ILO management for swiftly activating the business continuity and crisis management plan in response to the pandemic.

We support Recommendation 1 and trust that the skills-mapping exercise being undertaken by HRD and the Business Innovation Unit will allow the Organisation to fill gaps through upskilling and external recruitment. It will also be important to consult the staff union in this regard.

We endorse Recommendation 2 to make the process of reporting wrongdoings less bureaucratic as well as recommendations 3 that deals with enhancing the clarity of the ILO response to the recommendations made by the External Auditor with a view to better assess their implementation.

With reference to Recommendation 4 and the External Auditor's report concerning improvement on the controls and procedures in engaging external collaborators and on human resources management, in particular in the areas of recruitment and staff mobility, we understand that the Office is following up on these recommendations. We understand that the Office has undertaken a comprehensive review of the external collaborator contract procedures in 2019 and that the revised draft version of the Office Directive has addressed the recommendations on the determination of fees, improvement of terms of reference, and the need for a competitive selection process. We are looking forward to the results of the specific performance audit on external collaboration contracts that the Internal Auditor conducted in 2020 following which the Office Directive will be finalized.

We are glad that the IOAC is satisfied with progress made on the three outstanding recommendations from the 2019-20 report.

We thank the IOAC for the consultations held in 2020 on the proposed amendments to the IOAC's terms of reference in response to the recommendations of the JIU to reflect current best practices within the UN system.

Concerning the changes in paragraph 2 c), we wish to recall that the Workers' Group has always been opposed to give the oversight of the evaluation function to the IOAC as evaluation has political implications that need to remain within the remit of the

Governing Body. Therefore, we agree with the amendments on the clear understanding that the IOAC will not have oversight of the evaluation function and that the work plans of the evaluation unit will only be used to ensure coherence between internal oversight functions.

We understand that the deletion of “*conflicts of interest*”<sup>1</sup> in paragraph 3 g has been proposed to ensure that the reference to “*ethical conduct*” is not only limited to conflicts of interests, but also includes other types of ethical conduct. We can support this and other changes aimed at ensuring the independence of the ethical function.

Our Group welcomes the proposed induction programme proposed in paragraph 25 which would ensure quicker and more efficient guidance to the members. These briefings should be provided at no financial costs.

We agree with paragraph 30 that proposes to increase the number of meetings to up to four, if necessary, with the fourth meeting being virtual unless the budget allocation allows for an in-person meeting. We can support the reference to the three official languages of the ILO, namely English, French and Spanish rather than to working languages. (the Office has seven working languages.)

We support the proposed changes in paragraphs 37 and 38 dealing with self-assessment and review of the Committee’s terms of reference.

We agree with the additions in paragraph 42, which reflect the current practice of including the budget of the IOAC in the ILO biennial budget.

We can therefore agree with the revised terms of reference.

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<sup>1</sup> Office guideline IGDS Number 68 (Version 1) 17 June 2009 Conflicts of interest  
[https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---webdev/documents/genericdocument/wcms\\_713453.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---webdev/documents/genericdocument/wcms_713453.pdf)

ILO GB 341, PFA 8 Report of the Independent Oversight Advisory Committee  
IMEC statement, 5.3.2021

*General*

1. We understand that the COVID-19 pandemic has caused extra difficulties and, like the IOAC, we were especially concerned about the lack of ILO's governance functions last year, caused by our inability to hold some of our regularly scheduled meetings due to health restrictions.
2. On the positive note, we do share the Committee's view that the ILO has managed and responded well to these extraordinary circumstances – both when it comes to its governance, but also as regards to content.

IMEC would also like to express its gratitude to the IOAC for having managed to accomplish its important work virtually during the reporting period.

3. In general, we share the views and concerns presented by the IOAC in the document, and would like to make the following comments and questions.

*Specific ones*

4. Para 11 (2<sup>nd</sup> bullet point) – We note with concern the IOAC's remark that the unfunded After-Service Health Insurance liability on the net asset position remains significant. This is an important matter for all concerned, including in budgetary discussions.
5. Para 14 – IMEC hopes that the change in the risk management system (moving responsibility for risk management to the Senior Management Team instead of the previously established Risk Management Committee) will streamline ILO risk assessment, planning and mitigation in the future.
6. Recommendation 1 – IMEC notes with interest the new skills mapping exercise, and underlines its importance when further implementing the ILO's Centenary Declaration and decent work agenda.
7. With a link to the skills development of the constituents by the Turin Centre (para 21), we take a positive note about the Centre's efforts on how to best align the Centre's operational model to the new reality by developing new virtual learning models. As we have all experienced this new reality of virtual meetings due to the COVID-19 pandemic, we encourage the Turin Centre to proceed with efficient efforts in this.
8. We note positively (para 27) that the IAO has been able to work remotely during the pandemic.
9. Regarding ILO accountability, we underline the importance of the proper implementation of the proposed recommendation 2 (and para 30) concerning handling of the wrongdoings at the ILO. It is crucial that management is committed to promote the open culture and the internal processes in order to make reporting for personnel easy, safe and encouraging.
10. We urge the ILO to implement without a delay the recommendations 3 and 4 related to the External auditor. To our mind, it is unsustainable to be unclear whether management has followed the

recommendations of the External Auditor in full or not.

11. The IMEC applauds and fully supports (para 36) the proposal for additional resources to fund a full-time ethics officer position in the P&B 2022-23.
12. IMEC is pleased to see that most of its proposals have been taken into account in the revised terms of reference for the IOAC (recommendation 5). The new terms of reference include important best practices in terms of independent oversight functions, including many concepts put forward by the UN Joint Inspection Unit review of audit and oversight committees (JIU/REP/2019/6). Among these improvements to the scope of work of the IOAC is a focus on allegations of misconduct and retaliation concerning the Director-General. IMEC expects the Director-General to adhere to the strongest standards of conduct expected by the constituents of this body. Independent oversight is the way to ensure this. The IOAC must also undertake annual assessments and report all results to the Governing Body. To promote the inclusion of best practices in its work, we welcome the IOAC reviewing its terms of reference at least once every three years as indicated.
13. We take positive note of the follow-up of the past recommendations (para 41) as well as the Committee's self-assessment (para 42).
14. The IMEC supports the workplan for the year 2021 (paras 43 and 44), with the comments made here before.
15. With this, the IMEC would like to transmit its gratitude to the Committee for its important and effective oversight of the ILO during this extraordinary reporting period, and support the decision point in the paragraph 5.

## **Commentaires du Gouvernement du Maroc sur la décision concernant le Rapport du Comité consultatif de contrôle indépendant (GB.341/PFA/8)**

Concernant les propositions d'amendements apportés au mandat du comité : il y a lieu de noter que ceux-ci vont, certes, dans le sens du renforcement de la transparence et de la gouvernance de l'OIT. Toutefois, au niveau de la rubrique indépendance des membres, l'augmentation du nombre d'années exigées, pour ce qui est de l'occupation de postes au BIT, précédant la nomination au comité, semble contraignante, et ne va pas forcément dans le sens du renforcement de l'impartialité de ceux-ci.

L'amendement propose au paragraphe 37 invoque l'auto-évaluation effectuée par le comité sans en expliquer les mécanismes de mise en œuvre.

Au niveau du paragraphe 42 relatif aux dispositions administratives, il convient de s'assurer que l'amendement proposé tienne compte du fait que les indemnités journalières de séjour des membres sont prises en charge lorsqu'ils participent à des activités officielles du comité, et qu'il en est de même pour le secrétariat comme l'indique le paragraphe 41 du même article.