

# Governing Body

343rd Session, Geneva, November 2021

Programme, Financial and Administrative Section

PFA

Audit and Oversight Segment

**Date:** 13 September 2021

**Original:** English

Seventh item on the agenda

## Arrangements for the appointment of the External Auditor (2024–27)

### Purpose of the document

In this document, the Governing Body is invited to endorse the proposed calendar and key dates for the selection and appointment of the External Auditor of the ILO, and to request the Director-General to establish a selection panel (see the draft decision in paragraph 5).

**Relevant strategic objective:** None.

**Main relevant outcome:** Enabling outcome B: Effective and efficient governance of the Organization.

**Policy implications:** None.

**Legal implications:** None.

**Financial implications:** None.

**Follow-up action required:** Establishment of a selection panel.

**Author unit:** Office of the Treasurer and Financial Comptroller (TR/CF).

**Related documents:** [GB.320/PFA/8](#); [GB.320/PV](#), paragraph 700; [GB.323/PFA/6](#); [GB.323/PV](#), paragraph 503; [GB.334/PFA/9](#); [GB.334/PV](#), paragraph 902.

1. The External Auditor of the ILO, the Chairperson of the Commission on Audit of the Republic of the Philippines, was appointed by the Governing Body at its 323rd Session (March 2015) for the 75th and 76th financial periods (2016–19),<sup>1</sup> and reappointed at the 334th Session (October–November 2018) for the 77th and 78th financial periods (2020–23).<sup>2</sup> He will complete his second term of office with the audit of the 78th financial period, ending on 31 December 2023. In accordance with the procedures for the selection and appointment of the ILO External Auditor set out in Annex VII to the *Compendium of rules applicable to the Governing Body of the International Labour Office* (see appendix), this completes the maximum term of appointment.
2. The process to select the next External Auditor of the ILO for the 79th and 80th financial periods (2024–27) should therefore be initiated in order to allow sufficient time for a formal selection process to be completed and for the preparation and planning of the new assignment by the successful candidate. The selection process will comprise a call for expressions of interest, formal submissions of complete applications, technical and commercial reviews of the applications received, consideration by a selection panel appointed by the Governing Body and, finally, the appointment to be made by the Governing Body.
3. It is proposed that the upcoming selection process follow the above-mentioned procedures for the selection and appointment of the ILO External Auditor.
4. The proposed calendar and key dates are:

Event	Date
Confirmation of selection process	November 2021
Letters of invitation sent to all Member States to seek expressions of interest	January 2022
Deadline for receipt of expressions of interest	28 February 2022
Requests for proposals sent to supreme audit institutions that have expressed interest in being considered for appointment	March 2022
Deadline for receipt of formal proposals from supreme audit institutions	30 June 2022
Deadline for nominations for membership of the selection panel	31 August 2022
Submission of a summary of all proposals by the Office of Internal Audit and Oversight to the Independent Oversight Advisory Committee, together with the detailed proposals, for technical evaluation	15 September 2022
Submission to the selection panel of results of a technical review by the Independent Oversight Advisory Committee, together with complete proposals received	15 October 2022

<sup>1</sup> GB.323/PFA/6; GB.323/PV, para. 503.

<sup>2</sup> GB.334/PFA/9; GB.334/PV, para. 902.

Selection panel meets to review the proposals and identify a shortlist of up to three applicants to be invited for interviews	During the 346th Session of the Governing Body (October–November 2022)
Oral presentations by shortlisted candidates and interviews with the selection panel	January 2023
Selection panel recommendation to the Governing Body	February 2023
Appointment by the Governing Body	347th Session of the Governing Body (March 2023)

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## ▶ Draft decision

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### 5. The Governing Body:

- (a) **endorsed the proposed calendar and key dates set out in document GB.343/PFA/7 for the selection and appointment of the External Auditor of the ILO, for a term of office to commence on 1 April 2024 covering the 79th and 80th financial periods; and**
- (b) **requested the Director-General to establish a selection panel for this purpose, consisting of four Government representatives and two representatives each of the Employers' and Workers' groups.**

## ► Appendix

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### Procedures for the selection and appointment of the ILO External Auditor <sup>1</sup>

Adopted by the Governing Body at its 320th Session (March 2014).

#### Invitation

All Member States will be invited to submit nominations from Auditors-General (or officers holding the equivalent titles) or other persons of high competence to act as the External Auditor of the ILO for a period of four years. This term of office may be extended for a further period of four years.

#### Selection criteria

The information to be provided by Member States when making nominations will be sufficient to evaluate the nomination against selection criteria covering, but not limited to:

- (1) **independence** – demonstrated autonomy from other institutions of the government, integrity, objectivity in the discharge of duties and responsibilities, ability to self-determine the scope of audit;
- (2) **qualifications and competencies of workforce** – conformity to the auditing standards of the United Nations Panel of External Auditors and the code of ethics governing their work; range of professional qualifications and skills, and size and experience of workforce; membership of internationally recognized accounting or auditing bodies such as the International Organization of Supreme Audit Institutions or the International Federation of Accountants; proficiency in English and at least one other ILO official language; existence of a programme for continuing professional education of staff; and a quality improvement programme;
- (3) **experience and capacity** – experience in the audit of United Nations organizations or other national or international non-governmental organizations; audit experience with large organizations using enterprise resource planning systems; familiarity with the audit of financial statements prepared in accordance with International Public Sector Accounting Standards; and institutional capacity to undertake annual audits of the ILO;
- (4) **audit approach and strategy** – comprehensive work plans to ensure adequate audit coverage of all ILO resources; performance of financial and compliance audits, as well as value-for-money audits; and collaboration with the Office of Internal Audit and Oversight to optimize the use of limited audit resources;
- (5) **cost** – competitive all-inclusive fees.

#### Receipt and opening of proposals

The receipt and opening of proposals will be performed in accordance with ILO tender receipt and opening procedures.

Once opened, a summary of all proposals will be prepared by the Office of Internal Audit and Oversight for submission, together with the detailed proposals, to the Independent Oversight Advisory

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<sup>1</sup> GB.320/PV, para. 700; GB.320/PFA/8, appendix.

Committee for technical evaluation and then to a selection panel consisting of four Government representatives and two representatives each for the Workers' and Employers' groups.

### **Evaluation of proposals**

The selection panel will evaluate the proposals and make its recommendation to the Governing Body.

### **Appointment**

The Governing Body will decide on the appointment.