



## **INTERNATIONAL LABOUR OFFICE**

### **Note on internal governance reforms**

The following is a summary of initiatives taken in the ILO since 2006 on reform of internal governance and administrative matters. Taken together, they represent a significant package designed to reinforce and update existing measures and/or introduce new rules and procedures, as appropriate.

The introduction of each of these measures followed a review of good practices in the UN system as well as in other public service environments at national and international level. While learning from these good practices, the ILO measures are adapted to take account of the ILO's governance structure, institutional culture as well as resource constraints.

A Task Team on Internal Reform was created in 2005 to review internal governance rules and procedures and make proposals to the Director-General. The membership of the Team consists of the Legal Advisor, the Ethics Officer, the Director of HRD, the Chief Internal Auditor, the Treasurer and Financial Comptroller and the Executive Director for Management and Administration. The measures listed below (with the exception of the Evaluation Unit and the IOAC) have resulted from proposals submitted to the Director-General by this Task Team.

The following is a summary of the main points addressed under each measure.

#### Ethics in the Office (April 2006)

- Nomination of Ethics Officer.
- Introduced a Disclosure of Interests Form to be signed by all staff members on appointment and at regular intervals thereafter. Please note that more onerous disclosure requirements were introduced at an earlier date for officials involved in procurement activities.
- A copy of the Standards of Conduct for the International Civil Service was issued to each serving official who was requested to sign a statement confirming that he/she had read the document and undertaking to observe the standards contained therein. All new officials are required to sign this statement.
- Clarifies and strengthens existing whistle-blowing rules.

- Provides for an annual report by the Ethics Officer to the Director-General and to be published on the Ethics Officer website.
- An ethics training programme was launched by the Ethics Officer/HRD in 2007 starting with “training of trainers.”

#### Employment and Other Types of Contracts with Close Relatives of ILO officials (April 2007).

- Revised and updated existing rules.
- Established a clear framework and sets down uniform and transparent rules related to the recruitment and employment and/or issuing of other types of contracts to engage the services of close relatives of officials.

#### Register of Financial Interests (April 2007)

- Introduced a financial disclosure requirement for all officials occupying positions at the D1 level and above, the Chief of TRES/OPS, all officials in PROCUREMENT, officials at the P5 level who exercise financial authority and any other official whose position is so specified by the Director-General.
- The disclosure requirement relates to both the official and to his/her close relatives.
- The Register of Financial Interests requires the official to report any income, gifts or other allowances that have been received either by the officials or a close relative due directly or indirectly to the official’s employment with the ILO. The threshold is US \$250 during the reporting period.

#### Outside Activities (August 2007)

- Clarified the obligations of officials under the Staff Regulations in relation to engagement in outside activities.
- Set down the conditions and procedures under which an official may be authorized to engage in outside activities.
- Guidelines in the form of questions and answers are attached to the circular to facilitate compliance.

#### Anti-Fraud Policy (September 2007)

- Iterated a clear policy of zero tolerance to fraud and dishonesty.
- Sets down measures to promote an anti-fraud culture.
- Clarifies procedures for reporting fraud.
- Defines responsibilities of Treasurer/Financial Comptroller, Committee on Accountability, Office of Internal Audit and Oversight and ILO staff.
- Provides for the publication of an annual report by the Accountability Committee.
- The anti-fraud policy is posted on the public webpage of the ILO.
- Anti-fraud training programme for selected staff commenced in October 2007.

### Independent Oversight Advisory Committee

Further to a recommendation by the External Auditor in 2006, in November 2007 the Governing Body decided to establish an Independent Oversight Advisory Committee in line with similar developments in other UN bodies. The role of this Committee is to assist the Governing Body to fulfil its governance and oversight responsibilities. The Governing Body appointed 5 members to this Committee at its March 2008 session. The inaugural meeting of the IOAC took place, in accordance with the approved Terms of Reference, in September 2008 and the IOAC presented its first report to the Governing Body in March 2009. An IOAC webpage has been established to communicate information on the Committee and its work through both the intranet and the ILO public site.

### International Public Sector Accounting Standards (IPSAS)

At its November 2006 session, the Governing Body decided to adopt IPSAS as the basis for financial reporting. The adoption of high quality accounting standards will improve the transparency of financial reporting and information available for good governance. More comprehensive information on costs, assets and liabilities will also aid management and stewardship of resources and provide better consistency and comparability of financial statements. The date for full implementation is 2012.

### Evaluation Unit

- An Evaluation Unit was established in April 2005.
- A detailed evaluation policy and strategy was adopted by the Governing Body in November 2005 which conforms with UN norms and standards for evaluation.
- Key responsibilities of the Evaluation Unit are (i) to strengthen independent and strategic evaluations within the ILO, (ii) reinforce self-evaluation as a management tool, and (iii) build capacity and accountability within the ILO.
- The Evaluation Unit has developed a web-accessible database, *i-Track*, which provides electronic access to all evaluation reports to ILO staff and constituents and other national and global partners. This tool is now active and all recent evaluation reports and other relevant information is being entered.
- An independent evaluation of the ILO's evaluation function will take place in 2010.

### Internal Governance Documents Management System (January 2008)

A new system (IGDS) on management of internal governance documents became operational on 1 January 2008. This is part of the overall Electronic Documents Management System (EDMS). It makes access to internal governance documents easier as well as eliminating redundancy and updating and streamlining existing rules and procedures.

#### Public Webpage (April 2008)

A public webpage on “Transparency and Accountability” was launched in April 2008. It lists all of the ILO policies, mechanisms and other initiatives related to transparency and accountability in the ILO.

#### Public Information Disclosure (April 2008)

An ILO policy statement on public information disclosure was issued in April 2008. This elaborated a policy based on a presumption in favour of disclosure of ILO information, and it delineates clearly the exceptions based on confidentiality, legal privilege, etc. The policy is posted on the transparency and accountability public webpage (see above).

#### Disclosure of Internal Audit Reports (September 2008)

In September 2008, the Director-General approved limited disclosure of internal audit reports to members of the Governing Body and to the IOAC. The decision allows members to view the reports in the Office of Internal Audit and Oversight. This decision follows the recommendation of the CEB in 2007.

#### Guidelines on Conflicts of Interest (June 2009)

These guidelines were issued to assist ILO officials to identify circumstances which may give rise to potential conflicts of interest and to provide guidance on the procedures to be followed to avoid such conflicts of interest.

#### Policy on Risk Management (August 2009)

Introduces formal risk management practices aimed at embedding a conscious, efficient and effective approach to managing risks throughout the ILO.

#### Accountability Framework (January 2010)

Sets down the accountability principles which inform all accountability policies, processes and procedures in the ILO and formalizes the overall accountability framework.

#### Committee on Accountability

The Committee’s membership, operating procedures and annual report, summarising its activities, are posted on the public webpage.

## Resources

The 2010/11 Programme and Budget provides for a real increase of 8% in resources to enhance the oversight (including the IOAC) and evaluation capacity of the Office. In addition, resources for external audit were increased by 48% to cover the increased costs associated with the introduction of IPSAS.

January 2010