



19 October 2017

Anti-fraud and anti-corruption policy

Introduction

1. This Directive is issued under the authority granted to the Director-General by article 8 of the Constitution of the ILO and article 30 of the ILO Financial Regulations, and further to article 1.2 of the ILO Staff Regulations.
2. All ILO officials are expected to have, and be seen to have, the highest standards of honesty, propriety and integrity in the exercise of their duties. Officials are required at all times to act honestly and with integrity, and to safeguard the use of the resources of the ILO.
3. The ILO is committed to preventing fraud and corruption and to actively promoting an anti-fraud culture among officials, external collaborators, contractors, suppliers of goods and services, implementing partners and other parties. The ILO has **zero tolerance** to fraud and corruption. Every case of fraud, presumptive fraud, attempted fraud, corruptive or collusive practice, shall be thoroughly investigated and dealt with appropriately.
4. This Office Directive supersedes Office Directive, *Anti-fraud policy*, IGDS No. 69 (version 2), of 12 January 2015.
5. This Directive is effective as of the date of issue.

Scope

6. This policy is concerned with acts of fraud, presumptive fraud, attempted fraud, and any corruptive or collusive practices committed against the ILO, by ILO officials, external collaborators, contractors, suppliers of goods and services, implementing partners and other parties. Issues arising from the private and personal activities of officials are covered by the *Standards of Conduct for the International Civil Service*, the Staff Regulations and the associated Office Directives and Office Procedures.
7. This Directive should be read in conjunction with the following documents:
 - *Standards of Conduct for the International Civil Service* which are incorporated by reference in the Staff Regulations of the ILO.¹

¹ The revised *Standards of Conduct for the International Civil Service* (2013) was broadcast to all ILO officials in March 2016: <https://icsc.un.org/resources/pdfs/general/standardse.pdf>.

- Office Directive, *Ethics in the Office*, IGDS No. 76 (version 1), of 17 June 2009.
- The ILO Financial Regulations.
- The ILO Financial Rules.
- Office Directive, *Rules governing outside activities and occupations*, IGDS No. 71 (version 1), of 17 June 2009.²

What is fraud?

8. The term “fraud” is defined as “any act or omission whereby an individual or entity knowingly misrepresents or conceals a fact (a) in order to obtain an undue benefit or advantage or avoid an obligation for himself, herself, itself, or a third party, and/or (b) in such a way as to cause an individual or entity to act, or fail to act, to his, her or its detriment”.³
9. The term “presumptive fraud” is defined as “allegations that have been deemed to warrant an investigation and, if substantiated, would establish the existence of fraud resulting in loss of resources to the Organization”.⁴
10. The term “corrupt or collusive practices” is defined as the offering, giving, receiving or soliciting, directly or indirectly, of any advantage, in order to influence improperly the actions of another, including such conduct or arrangement between two or more bidders or contractors.
11. Fraud involves a violation of trust. Examples of fraud that may involve the ILO are:
 - theft, misappropriation or misuse of ILO assets for personal benefit or the benefit of a third party;
 - bribery and corruption – offering, giving, soliciting or accepting an undue advantage or reward that may influence the actions taken by the ILO or its officials, for example in the procurement of goods and services or recruitment;
 - false accounting and/or making fraudulent statements with a view to:
 - (a) obtaining personal gain or gain for another, for example, falsely claiming overtime, medical expenses, travel or subsistence, sick leave or special leave (with or without pay); and
 - (b) materially misrepresenting performance or delivery;
 - forgery or alteration of a cheque, bank draft, invoice or other financial document with a view to misappropriation of ILO funds;
 - misuse, misappropriation or inappropriate reassignment of passwords (for example, IRIS or ILO network) governing financial transactions, authorities and approvals with a view to misappropriation of ILO funds; and/or
 - externally perpetrated fraud against the ILO, for example in the procurement and delivery of goods and services.

² <http://www.ilo.org/public/english/ethics/download/rules.pdf>.

³ Common definitions for the United Nations system as adopted by the High-Level Committee on Management (HLCM) in April 2017.

⁴ *ibid.*

Anti-fraud culture

12. The ILO is committed to ensuring that opportunities for committing acts of fraud or corruption are reduced to the lowest possible level. To achieve this, the ILO continues to promote an anti-fraud culture and measures including:
 - ensuring good governance in the ILO and ethical behaviour of ILO officials;
 - providing training, briefings and other communication tools to managers and officials on the ILO Financial Regulations and Financial Rules and on good financial practices;
 - developing and maintaining effective controls to prevent fraud;
 - ensuring that, if fraud or corruption occurs, a vigorous and prompt investigation takes place without regard to position held, length of service or relationship to the ILO, to particular officials within it, or constituents;
 - taking appropriate disciplinary action in all cases within the ILO's disciplinary authority and, where appropriate, legal action, including waiving of immunity to permit prosecution in criminal courts; and
 - reviewing systems and procedures to prevent similar cases of fraud or corruption.

Reporting fraud ⁵

13. Officials are required to report any case of fraud or presumptive fraud, attempted fraud, or any corruptive or collusive practices to the Director-General through the Treasurer and Financial Comptroller (Treasurer) and the Chief Internal Auditor. ⁶ Allegations of fraud concerning the Director-General shall be reported to the Chairperson of the Governing Body, either directly or through the Treasurer, the Chief Internal Auditor, or the Chairperson of the Independent Oversight Advisory Committee (IOAC).
14. The Office also takes measures to facilitate the reporting of fraud and corruption by third parties, in particular external collaborators, suppliers and implementing partners.
15. An official of the ILO, or a person bringing the alleged case of fraud to the attention of the ILO, who acts in compliance with this policy and in good faith shall not, based upon the fact that the person has reported an incident or participated in an investigation:
 - be dismissed or threatened with dismissal;
 - be disciplined, suspended or threatened with disciplinary action or suspension;
 - be penalized or have any other form of retribution imposed; or
 - be intimidated or coerced.
16. Should a person or entity believe that any of the consequences described in paragraph 15 have occurred, the matter may be referred to the Ethics Officer.

⁵ [ILO Financial Rule](#) 13.10.

⁶ TRCF@ilo.org or investigations@ilo.org.

17. Any action taken by any official against any person or entity who has acted in accordance with the requirements of this policy shall result in disciplinary action, up to and including summary dismissal.
18. All matters shall be dealt with in confidence and if an allegation is made in good faith, but it is not confirmed by the investigation, no action shall be taken against the originator. Only when individuals make malicious or frivolous allegations may disciplinary action be considered against the individual making the allegation.

Responsibilities

ILO staff

19. The primary responsibility for the prevention and detection of fraud, corruption and other inappropriate conduct rests with line managers and their staff. They are responsible for understanding the exposure to fraud, corruption and other improper conduct across their range of responsibilities and for putting in place appropriate preventative measures.
20. All ILO officials to whom authority has been delegated for the use of ILO resources are responsible for ensuring compliance with established procedures and acting prudently and ethically to provide reasonable assurance for the prevention and detection of fraud and other irregularities. Particular attention must be paid to the protection of passwords, financial documents and any other authorizing instrument.

Senior Risk Officer⁷

21. The Senior Risk Officer oversees and coordinates the development and maintenance of risk registers, including guidance on identifying and responding to fraud and corruption risks.

Treasurer and Financial Comptroller⁸

22. The Treasurer is the ILO's Chief Financial Officer and is responsible to the Director-General for establishing and maintaining a sound framework of internal control that supports the achievement of Office aims and policies. The framework of internal control is designed, inter alia, to support managers and officials in responding to, and managing, the risks of fraud and corruption faced by the ILO.

Chief Internal Auditor⁹

23. The Chief Internal Auditor is responsible for assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of the ILO's control environment. The Chief Internal Auditor's auditing responsibilities¹⁰ include providing advice to management on its risk exposures, including the possibility of fraud as a business risk.
24. The Chief Internal Auditor is responsible for the conduct of ILO investigation activities concerning allegations of fraud, presumptive fraud or attempted fraud, or corruptive or collusive practices.¹¹

⁷ https://www.ilo.org/dyn/finapps/intranet.file_open?p_reference_id=572 (ILO Enterprise Risk Management Framework).

⁸ ILO Financial Rules 1.40 and 1.50.

⁹ ILO Financial Rule 14.10.

¹⁰ ILO Internal Audit Charter, available at: <http://www.ilo.org/public/english/iao/>.

¹¹ ILO Investigation Charter, *ibid*.

Committee on Accountability¹²

25. The Treasurer shall refer to the Committee on Accountability appropriate cases of fraud, presumptive fraud and attempted fraud, as well as any corruptive or collusive practices, negligence or disregard of established ILO rules and/or procedures which resulted, or could have resulted, in financial or other loss to the ILO or damage to its property. The Committee shall establish the facts of any case referred to it, fix responsibility for the loss, if any, and make appropriate recommendations to the Director-General relating to reimbursement, disciplinary action and writing off of losses. An annual summary report of the activities of the Committee on Accountability shall be published on the ILO website.

Final provisions

26. This policy shall be reviewed periodically. Officials wishing to receive further information and clarification on this policy and/or to make suggestions for improvements should contact the Treasurer or the Chief Internal Auditor.

Guy Ryder
Director-General

¹² ILO Financial Rule 13.30.