



Terms of Reference of the Vendor Review Committee ¹

1. **Mandate of the Committee.** The [Vendor Review Committee](#) is a subset of the [Committee on Accountability](#). It is tasked with reviewing allegations of Proscribed Practices by Vendors ² and making recommendations to the ILO Treasurer and Financial Comptroller on Sanctions against the Vendor concerned.
2. **Composition.** The Committee is composed of three members, including a Chairperson. The membership is the same as that of the Committee on Accountability, except for the representative of the Office of the Legal Adviser (JUR).
3. The Chairperson is the responsible official for the functioning of the Committee. He or she will convene and preside over the Committee meetings and provide instructions to the Secretary of the Committee throughout the review process.
4. The Secretary of the Committee is the Secretary of the Committee on Accountability and reports to the Chairperson of the Committee within the scope of work of the Committee. He/she is not a member the Committee and has no voting rights.
5. Any member of the Committee or the Secretary of the Committee, having a potential conflict of interest (actual or perceived) with regard to any allegation of Proscribed Practices which has been submitted to the Committee for its consideration shall inform the Committee prior to commencing consideration of the case with a view to deciding whether the designation of a substitute is required. Any such substitute Chairperson, member or Secretary will be designated in accordance with the rules of the Committee on Accountability.
6. The Committee may invite to its meetings the Chief Internal Auditor or a representative of the Office of Internal Audit and Oversight (IAO), the Legal Advisor or a representative from JUR, as well as officials from other departments or units who, in the Committee's view, are likely to facilitate its work.
7. **Decision Modality.** The Committee shall make recommendations by consensus. In the event that it is not possible to obtain a consensus, the Committee's advice shall be prepared on the basis of the opinion representing the views of the majority of Committee members. A dissenting member may submit his/her opinion to the Secretary for inclusion in the report of the Committee. Where there is no consensus or majority view among Committee members, each member shall reflect his/her view in the report of the Committee.
8. **Responsibilities of the Committee.** The Committee:
 - a. Registers the referral by the Treasurer and Financial Comptroller of allegations of Proscribed Practices and if applicable, the investigation report submitted by

¹ These Terms of Reference shall be read in conjunction with the "Rules of Procedure applicable to the review of allegations of fraudulent and other proscribed practices by external collaborators, grantees, implementing partners and suppliers".

² ILO Office Directive, *Policy against fraudulent and other proscribed practices*, IGDS No. 69.

the Chief Internal Auditor; and instructs the Secretary to prepare the Notice of Administrative Action to be sent to the respondent;

- b. Determines whether the information presented in the draft Notice of Administrative Action by the Secretary meets the applicable standard of proof to support a finding that a Vendor has engaged in any of the Proscribed Practices. In making such determination, the Committee will consider any exculpatory or mitigating information relating to the Vendor at issue that is available;
 - c. Based on the determination above, approves or dismisses the Notice of Administrative Action;
 - d. Reviews the Respondent's response and, if applicable, the reply from the responsible ILO units and the Respondent's sur-reply, and requests any further information or advice it may deem necessary in order to recommend a decision to the Treasurer and Financial Comptroller;
 - e. Recommends decisions to the Treasurer and Financial Comptroller on:
 - Sanctions or other corrective and rehabilitative measures when such findings are supported by the appropriate standard of proof, or to close a matter without applying any Sanctions;
 - extending the Sanctions to a Vendor's Affiliated Entity(ies);
 - rejecting or accepting of settlement offers that may be made by a Respondent to the Secretary, including an admission of involvement in Proscribed Practices;
 - rejecting or accepting of Rehabilitation requests that may be made by a Respondent to the Secretary;
 - rejecting or accepting of a request for an exception in a specific procurement action and recommending suspending the effects of Sanctions;
 - referring the matter on a strictly confidential basis to IAO, other international organizations, or national authorities;
 - f. Produces a summary report of its activities at the end of each year for publication on the Transparency and Accountability page of the ILO public website;
 - g. Takes responsibility for the overall review and oversight of the Vendor Sanctions process; and
 - h. Performs other duties consistent with its mandate, following consultation with the Treasurer and Financial Comptroller.
9. **Responsibilities of the Secretary of the Committee.** The Secretary shall serve the Committee in a coordinating, advisory and facilitating capacity only. As such, the Secretary:
- a. Upon receipt of the referral by the Treasurer and Financial Comptroller and if applicable, the investigation report from the Chief Internal Auditor, prepares the Notice of Administrative Action for the Committee's review;

- b. Channels all communications between the concerned parties (including between the Committee and the Vendor), and drafts all notices;
- c. Requests additional information to the Chief Internal Auditor on the investigation report;
- d. Presents documentation in support of Committee's consideration for Interim suspension, types of Sanctions, application of Sanctions to affiliated companies of the Vendor, Re-opening of the case, Exceptions, Rehabilitation, or Settlement to the Committee;
- e. Reviews all submissions before sending them to the Committee;
- f. Ensures that the submissions of other parties relevant to the case are distributed to the Vendor(s) and any expert(s) serving as advisors, as well as to the members of the Committee;
- g. Transmits the Committee's recommendations to the Treasurer and Financial Comptroller;
- h. Acts as the UN Ineligibility List administrator for the Committee (acting on instructions from the Treasurer and Financial Comptroller); keeps informed of any and all updates to the UN Ineligibility List;
- i. Keeps the records of relevant materials and documents for the Committee; and minutes of Committee meetings, including a written summary of any hearings held as well as the final report signed by the Committee members transmitted to the Treasurer and Financial Comptroller;
- j. Prepares the annual report of the Committee;
- k. Ensures that the data provided by the Respondent, as well as information generated pursuant to the functions of the Committee, is fully and adequately protected; and
- l. Performs other functions as may be approved by the Chairperson of the Committee.
