



Governing Body

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Programme, Financial and Administrative Section

PFA

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Follow-up to the report of the Chief Internal Auditor for the year ended 31 December 2023

Summary: This document provides information on actions undertaken by the Office as follow-up to the Chief Internal Auditor's recommendations for 2023.

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

Related documents: [GB.350/PFA/7/1](#).

1. At the 350th Session (March 2024) of the Governing Body, the Chief Internal Auditor submitted his report on significant findings resulting from internal audit and investigation assignments undertaken in 2023 for the Governing Body's consideration.¹
2. This document provides information on the follow-up actions taken by the Office on the Chief Internal Auditor's recommendations for 2023.
3. The Chief Internal Auditor's recommendations for improvements in the areas covered by the report are set out in Appendix I, together with the Office's responses and details of follow-up actions taken. Appendix II contains a list of internal audit reports issued in 2023 and the status of the Office's follow-up.
4. ILO management is continuing to work in close liaison with the Office of Internal Audit and Oversight (IAO) in order to derive full benefit from its recommendations, and to ensure that follow-up action is taken and that the recommendations are effectively implemented.

¹ GB.350/PFA/7/1.

► Appendix I

Follow-up action taken by the Office on the Chief Internal Auditor's recommendations for 2023

Recommendation title	Recommendation	Office response	Implementation status	Completion date
External collaborator contracting	The Office should as a matter of priority assign policy ownership with respect to external collaborator contracting to an ILO department. In the IAO's view, this should fall within the Corporate Services Cluster.	Following internal consultations within the Corporate Services Cluster, it has been decided that policy ownership for external collaborator contracting will be assigned to the Treasurer and Financial Comptroller. A revised policy was submitted for the Director-General's approval in December 2024 and is expected to be promulgated soon, with its implementation commencing in the first quarter of 2025.	In progress	First quarter of 2025
External collaborator contracting	The Office should explore other feasible options (rather than a centralized database) to capture general data on external collaborators, for example via the United Nations Global Marketplace (UNGM).	In the revised policy on external collaborator contracting, it is proposed that the UNGM should be used to advertise external collaborator contracting opportunities, while the ILO's e-sourcing platform, Jaggaer, should be used to prepare advertisements, receive applications from the UNGM and undertake the subsequent documented selection process for external collaborators.	In progress	First quarter of 2025
External collaborator contracting	The Office should improve oversight of the use of external collaborator contracts to reduce the risk of irregular use, such as external collaboration contracts used to circumvent established procurement practices to engage a company, and long-running contracts used as a means to "employ" an individual, placing them in a situation of precarious	As policy ownership has been assigned, oversight responsibilities will be taken on by the Treasurer and Financial Comptroller through delegation to the Budget and Finance Branch of the Financial Management Department (FINANCE). The revised policy has tightened up requirements concerning the appropriate use of external collaboration contracts, particularly with regard to the distinction between companies and individuals. It has also introduced a standardized and systematic selection process and Office-wide uniform fee methodology	In progress	First quarter of 2025

Recommendation title	Recommendation	Office response	Implementation status	Completion date
	employment. Once policy ownership is assigned to a department, that department could take on the oversight responsibilities.	and rates, as well as clear conditions for contract modifications in order to address the issues mentioned in the recommendation and the associated risks.		
Safety and security	The Office should ensure that there are sufficient funds available to address any significant recommendations arising from the assessments of the United Nations Department of Safety and Security (UNDSS) before signing leases, including ensuring that there is a budget line in development cooperation project budgets as necessary. In addition, the Office should ensure that all vehicles are properly equipped in accordance with UNDSS safety and security equipment guidelines and ensure that appropriate provisions are included in development cooperation project budgets.	The ILO's Security Unit (SECURITY) provides a security assessment with every lease and, where possible, an indication of expected costs. Leases are approved through an integrated workplace management system (PLANON), which includes a lease request submission checklist allowing the requesting office to identify and quantify security-related installation costs. A budget line for security compliance is included in project budgets based on guidance provided by SECURITY. In general, processes and workflows are being improved to ensure that the project managers concerned are held responsible for security management with respect to ILO and UN security management system (UNSMS) frameworks of accountability and are duly informed of the list of measures to be implemented and the corresponding cost evaluations provided by SECURITY based on UNDSS in-situ assessments and the UNSMS standards. With regard to vehicles, IGDS No. 666 on "ILO policy and procedures on vehicle management" was issued on 1 March 2024, strengthening the requirements concerning the compliance of ILO vehicles with UNDSS safety and security guidelines. Lastly, the Office will establish a compliance monitoring mechanism to ensure compliance with all UNSMS requirements in the field. SECURITY would use that tool to follow up on the	In progress	31 December 2025 (for the security compliance monitoring mechanism)

Recommendation title	Recommendation	Office response	Implementation status	Completion date
		implementation of security risk management measures for all ILO premises and vehicles in the field.		
Grants management	The Office should remind responsible managers that they are accountable for ensuring that all grants are used for a proper purpose, are correctly accounted for, and should obtain appropriate documentation to facilitate verification that the grantee has completed all aspects of the grant agreement.	IGDS No. 430 on “Grants” was updated in May 2024 and communicated Office-wide, taking into account the issues highlighted in this recommendation, including the proper use of the grants modality as well as the appropriate accounting and verification required.	Fully implemented	May 2024
Inventory management	Pending the roll-out of the asset management function of the integrated workplace management system (IWMS), the Office should reinforce the requirement that field offices update inventory records promptly upon purchasing assets and assigning them to staff, or when disposing of assets.	The Asset Management functionality within PLANON was rolled out to all established ILO offices in February 2024. The sophistication of the system (automation of alerts and reminders and support for Outlook emails) allows for the generation of automated reminders to field offices to update their inventory records. Through training webinars and documentation, responsible staff in the field are reminded of their obligation and commitment to, and accountability for, promptly recording, assigning and disposing of assets using internal workflows.	Fully implemented	February 2024
Banking partners and signatories	The Office should reinforce the message that responsible managers should verify that any instructions they send to their banking partners to update signatory lists are implemented accordingly. The IAO often finds that managers request their banking partners to update	The Office notes that signatory lists and the responsiveness of partner banks continue to be an ongoing challenge. The Treasury Operations Unit (TRES/OPS) of FINANCE will continue to remind the Regional Offices of their authority and responsibility to regularly review and amend, as necessary, local signatory lists and to request banks to provide confirmation that the signatories have been updated.	Fully implemented	Ongoing basis

Recommendation title	Recommendation	Office response	Implementation status	Completion date
	signatory lists when employees change assignment or retire. However, managers do not always request the bank to provide confirmation that the signatory lists have been correctly updated.	Additionally, TRES/OPS performs an annual review of signatory lists, requesting confirmation of outstanding signatory lists from each bank. These are then reconciled to ILO records and discrepancies followed up by each Office.		
Appraisal management	The Office should continue to remind managers that the timely completion of staff performance appraisals is essential and that they should hold to account managers who consistently miss the completion deadline.	In their annual appraisals, managers are evaluated on whether all performance appraisal discussions have been carried out and whether all appraisal forms relating to their teams or units have been completed in accordance with established quality standards and deadlines. Managers who are not compliant cannot be considered eligible for the merit increment exercise. Managers are reminded of these responsibilities several times per year through IGDS documents, broadcast reminders and leadership communications. These responsibilities are also emphasized during performance management training and coaching.	Fully implemented	Ongoing basis

► Appendix II

List of internal audit reports issued in 2023

Title	IAO reference	Issue date	Implementation status *	Submission date
Report on the Internal Audit of the ILO's Regional Office for Africa	IAO/01/2023	6 March 2023	Complete	25 October 2023
Report on the Audit of the ILO Regional Office for Asia and the Pacific; the ILO Decent Work Technical Support Team for East and South-East Asia and the Pacific; and the ILO Country Office for Thailand, Cambodia and Lao People's Democratic Republic	IAO/02/2023	12 July 2023	Complete	25 October 2023
Report on the Audit of Information Systems Security at ILO headquarters	IAO/03/2023	18 August 2023	Complete	2 November 2023
Report on the Pre-Implementation Review of the Integrated Workplace Management System (IWMS) at ILO headquarters	IAO/04/2023	18 August 2023	Complete	24 October 2023
Report on the Follow-up Audit of the ILO Country Office for Ethiopia, Djibouti, Somalia, Sudan and South Sudan, and for the Special Representative to the African Union and the United Nations Economic Commission for Africa (CO-Addis Ababa)	IAO/05/2023	2 October 2023	Complete	27 February 2024
Report on the Internal Audit of the European Union-funded Programme for Support to Rural Entrepreneurship, Investment and Trade (EU-STREIT)	IAO/06/2023	3 November 2023	Complete	19 January 2024
Report on the Internal Audit of Active Directory Security at ILO headquarters	IAO/07/2023	11 December 2023	Complete	27 February 2024
Report on the Internal Audit of External Collaboration Contracts	IAO/08/2023	20 December 2023	Complete	30 August 2024

* Complete = Implementation report submitted to the Chief Internal Auditor.