



SECOND ITEM ON THE AGENDA

Appointment of the External Auditor

1. At its 295th Session (March 2006), the Governing Body appointed a Selection Panel to evaluate the applications for the appointment as External Auditor of the ILO, in accordance with the procedure agreed.¹ The Panel was also mandated to make a recommendation to the current session of the Governing Body on this appointment.
2. The members of the Panel were:

Governments:	His Excellency J. Delmer URBIZO PANTING, Honduras Dr Peter KLEKNER, Hungary Mr Kazumi MATSUI, Japan Mr Elias D. ZIRIKUDONDO, Malawi
Employers:	Mr Victor VAN VUUREN Mr Michel BARDE
Workers:	Sir Roy TROTMAN Mr Shigeru NAKAJIMA
3. The Committee will recall that invitations were sent to all member States seeking nominations for this appointment. Detailed requests for proposal were then sent to all nominees together with documentation on the ILO relevant to the appointment. All nominees were subsequently invited to a public meeting in the ILO where representatives of the Director-General responded to any questions or requests for additional information. Expressions of interest were received from 21 potential candidates and 11 formal proposals were finally submitted. The selection process has been conducted in accordance with standard procurement practices so as to ensure a transparent and objective process.
4. The report of the Panel attached to this document describes its work and conclusions.
5. *Taking into account the selection process followed and the unanimous recommendation of the Selection Panel, the Committee may wish to recommend that the Governing Body appoint the Auditor General of Canada as the External*

¹ GB.285/PFA/3 and GB.295/PFA/2.

Auditor of the ILO for the 71st and 72nd financial periods, with the appointment to commence on 1 April 2008 for a period of four years.

Geneva, 2 February 2007.

Point for decision: Paragraph 5.

Appendix

Report of the Selection Panel to Appoint the External Auditor of the International Labour Organization

On 14 June 2006 the Selection Panel (the Panel) met to determine its working methods and agree a workplan to enable it to make a recommendation to the Programme, Financial and Administrative Committee (PFAC) on the appointment of the next External Auditor of the ILO. During the meeting the Panel discussed with ILO representatives the nature of support it would need to perform its task. The Panel agreed to the following workplan:

- 30 June 2006. Closing date for receipt of formal proposals from candidates for the position of External Auditor of the ILO;
- 4 July 2006. Formal opening of proposals, following standard ILO procurement practice;
- 4 to 31 July 2006. Preliminary technical evaluation;
- 31 July 2006. Results of preliminary technical evaluation communicated to the Panel;
- by 30 September 2006. Panel consultations on the proposals received from candidates, and results of the technical evaluation. Panel to agree on a shortlist of candidates to be invited to make an oral presentation;
- early November 2006. Oral presentations to the Panel. Each presentation to be followed by a question and answer session. Panel select a final candidate to be proposed to the PFAC as External Auditor; and
- the Panel prepares a recommendation to be submitted to the PFAC at its March 2007 session.

The Panel also agreed to a proposal presented by the ILO that the Office of Internal Audit and Oversight (IAO) should undertake the preliminary technical evaluation of proposals received. The IAO was proposed to undertake this task as it is independent of management, and has the necessary technical skills and knowledge to evaluate proposals, from a technical perspective, in an objective manner. The IAO's intervention would assist the Panel in helping to ensure due transparency and objectivity in the selection process.

The IAO carried out its preliminary technical evaluation based on a matrix score card, a draft of which was provided to the Panel at the meeting held on 14 June 2006. The matrix used to evaluate candidates' proposals was detailed and took into account such factors as the range and depth of skills possessed by the candidate's organization; adoption of best professional practice concerning audit methodologies, ethics and training; capacity to undertake a large and complex audit such as the audit of the ILO; independence from the influence of governments; previous experience of auditing United Nations organizations or specialized agencies; and breadth of language skills available in the organization.

By 30 June 2006, the ILO had received 11 formal offers from the 21 expressions of interest received.

The results of the IAO's preliminary technical evaluation were submitted for the Panel's review together with:

- a copy of each proposal, plus any supplementary information provided by candidates in support of their proposal;
- a summary schedule detailing the results of the evaluation, ranking candidates in order of marks awarded; and

- a copy of each candidate's detailed matrix score card.

Panel consultations were undertaken during the last week of September 2006. The Panel unanimously decided that a shortlist of five candidates be invited to give an oral presentation of their proposal. The five shortlisted candidates selected by the Panel were the top five scoring candidates as indicated in the preliminary technical assessment:

- the Auditor General of Canada;
- the President of the Tribunal de Cuentas, Spain;
- the Auditor General of the Republic of Zambia;
- the Chairman of the Audit Board of Indonesia; and
- the President of the Cour des Comptes, Royaume du Maroc.

On 10 November 2006 the five candidates made their oral presentations to the Panel. After each presentation there followed a question and answer session, which provided the Panel with the opportunity to question candidates on the detail of their proposal and the organization they represented. The Panel was impressed with the quality and content of the candidates' presentations, noting each had demonstrated that the organization they represented comprised highly skilled staff with a commitment to the ILO and its values.

Once all the candidates had presented their candidacy, the Panel deliberated on which of the shortlisted candidates to propose to the PFAC as the next External Auditor of the ILO. On the basis of the proposals received and presentations made, it became evident to the Panel that there was one candidate who had comprehensively addressed all the major challenges facing the ILO. The candidate clearly demonstrated the capacity to undertake and deliver the external audit of the ILO to the highest professional standards, using the most up to date audit methods and techniques, as well as to bring a broad range of other audit disciplines to the ILO.

The Panel's preferred candidate by unanimous decision was the Auditor General of the Office of the Auditor General of Canada.