



Committee on Accountability

In 2013, three new cases were referred to the Committee on Accountability by the Treasurer and Financial Comptroller (TR/CF) pursuant to Article 13.30 of the Financial Rules.

Case No.1: The Committee examined a case of alleged fraudulent activities in a technical cooperation project. The Office received allegations in February 2011 in relation to dubious invoicing and bidding procedures in technical cooperation activities that had ceased in 2010. The Committee noted that whilst the Office of Internal Audit and Oversight (IAO) had made every effort to investigate the allegations as thoroughly as possible they were hampered by the fact that the project itself had ended and a key staff member had left the employment of the Office. Furthermore, the whistle-blowers declined to provide any further information or to make their identities known to the ILO. The Committee upheld the report of the IAO, which concluded that falsified invoices and irregular bidding documents had been submitted to the ILO. The Committee was concerned that the Country Office was aware that such practices were not uncommon and although corrective steps were taken within the Country Office to avoid overpayment, cases of fraud or suspected fraud were not referred to the TR/CF and the Chief Internal Auditor in a timely manner. The Committee did not find sufficient evidence to fix responsibility for loss on any individual staff member or members and supported the recommendations for corrective action contained in the IAO report, in particular that the ILO should cease working with implementing partners that did not follow appropriate bidding and invoicing practices. The Committee also noted that various control weaknesses identified as a result of the investigation had been reported with appropriate recommendations in a separate internal audit report.

Case No.2: The Committee examined a case of alleged financial misconduct regarding claims for reimbursement of medical expenses from the Staff Health Insurance Fund (SHIF) by two serving Officials and one former Official. The Committee upheld the findings of an investigation undertaken by the Office for Internal Audit and Oversight, which confirmed that during the investigation the two serving Officials had signed admissions stating that they knowingly submitted falsified invoices and that they had paid a third party to provide the invoices. The Committee concluded that the actions of the officials were fraudulent. The Committee recommended that the matter be referred for appropriate disciplinary action up to and including summary dismissal and that the losses be recovered from the Officials to the fullest extent possible. The Committee further advised that consideration be given to the possibility of taking legal action against the former official concerned and the lifting of immunities of the serving officials to enable fuller recovery of the

defrauded monies. The Committee also recommended that the matter be brought to the attention of the SHIF Management Committee in order for them to consider any further appropriate sanction under SHIF rules and regulations.

Case No.3: The Committee considered a case concerning the falsification of a letter on ILO headed notepaper for the purposes of obtaining a personal bank loan. When confronted the official initially denied any knowledge of the letter but then admitted that they had written and sent the letter in order to obtain a bank loan. The Committee noted that the facts were clearly established and that the actions of the Official had been deliberate. Furthermore, the Official had clearly recognised and admitted to their wrongdoing and had offered some explanations and apologies for their conduct. The Committee considered the actions of the Official to be fraudulent and to clearly constitute a breach in the standards of conduct expected of an International civil servant, and to be in direct contradiction to the financial responsibilities and functions entrusted to the official in their professional capacity. The Committee recommended that the conduct of the official be referred back to HRD for the imposition of appropriate disciplinary sanction taking into account the professional responsibilities of the official.

The members of the Committee for 2013 were Mr Egger (Chairperson), Mr Chughtai (FINANCE), Ms Beaulieu (JUR) and Mr Llobera (HRD). Ms O'Neill (HRD) served as Secretary.

Date: January 2014

Philippe Egger
Chairperson
Committee on Accountability