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Written comments by Mthunzi Mdwaba on behalf of the Employers' group

GB.340/PFA/8: Report of the Independent Oversight Advisory Committee

Overall, we support the amendments required to the Independent Oversight Advisory Committee Independent Oversight Advisory Committee's (IOAC) terms of reference as to reflect current best practices within the UN system identified by the Joint Inspection Unit (JIU).

In relation to the related Recommendation 1 (2020), we highlight the relevance of the IOAC's competence being officially recognized to coordinate with other oversight functions, including ethics, evaluation and investigations.

The specific amendment (3(g)) made to the performance, appointment and/or termination of the Ethics Officer however needs clarification. The ILO Ethics Officer is currently not a full-time position and the nomination is done by the Director-General. Prior to the IOAC being consulted on the HR-related matters on the Ethics Officer, the position would need to be formalized (understood as becoming full-time position) and be equipped with necessary resources with a view to empowering the Ethics Office and the function it performs.

In relation to Risk management and business continuity management, we note with appreciation that the Office risk management function sees as its responsibility to not only evaluate but also to ensure the value of the processes it is about to implement. We highlight the work that has been done on business continuity management and encourage to inquire how BCM was implemented during the COVID-19 crisis. This should be an Office-wide effort which includes both HQ and the field.

With regard to the internal audit and investigations, we welcome the insistence of the IOAC to encourage that management ensure a continuous follow-up of recommendations until their completion (see also Recommendation 2, 2020). We are appreciative that management is encouraged to ensure adequate staffing and resourcing to address the backlog of the investigation of allegations since it remains critical for the effective risk of the ILO. We recognize that the Internal Audit Office was the only unit that received a real programme increase of some 12 per cent for P&B 2020-21; and hopefully this critical increase which reinforces the significance of the function that the IAO provides can be used to address the backlog.

Lastly, with regard to the follow-up on Recommendations 2019, we note in particular that recommendation 1 (on Information Technology) has not led to clear provision, which is even seen as a "lost opportunity". Efficient management of technology is key, and we fully agree with the committee that we need to improve consistency and control of financial and human resources in that area.

1. IMEC welcomes the Report GB.340/PFA/8 of the IOAC including the three recommendations. We also thank the IOAC for taking the time to speak to constituents via a virtual consultation. Oversight, and the role of the IOAC, is even more critical in an increasingly virtual context.
2. Concerning **Recommendation 1**, we welcome the recommended amendments to the IOAC's Terms of Reference to reflect best practices identified by the Joint Inspection Unit. The Committee's proposals for revisions to the ToRs for the IOAC, as explained in the paras 11-13 seem justified for us.
3. IMEC notes positively the proposed changes to the IOAC Terms of Reference in appendix II and appreciates some of the explanations provided by the IOAC. However, we continue to urge the inclusion of several additional amendments that we proposed previously. Specifically:
4. In the last sentence of para 3d, IMEC proposes, that advice provided by the IOAC to the governing body on allegations of fraud should be changed from "fraud" to "misconduct" and include also misconduct on the part of staff in the Internal Audit Unit. Otherwise, who will provide such fair and independent advice to the Governing Body if the allegations involve other types of misconduct?
5. We also propose changing 15 b and e from three to five years as is recommended by the UN Joint Inspection Unit (JIU) and by the Representatives of Internal Audit Services of UN Organizations (RIAS).
6. Lastly, we propose changing "periodically" in paragraphs 37 and 38 to "annually" perform self-assessments and review of the terms of reference, which are recommendations from the recent UN JIU's report on "Review of Audit and Oversight Committees in the UN System."

6 bis. Also, in addition to self-assessments, we propose to add, at the of the paragraph 37, the following clause and sentence: "[...] and carry out an independent performance evaluation every three years. The IOAC will report to the GB the results of this independent performance evaluation."

7. As any amendment to the ToRs of the IOAC need to be discussed with the IOAC first, we can accept deferring the consideration of the ToRs till the March 2021 Governing Body, and are happy to hear feedback and discuss further on our proposals with the IOAC and other groups then.
8. We welcome work on improvement concerning the consistency and efficiency of the Staff Health Insurance Fund SHIF and support the management's position of the zero tolerance for the fraud with in the SHIF and addressing the backlog of investigation cases. (para 8)

Recommendations 2 and 3

9. IMEC agrees with the IOAC's views and proposals on effective and efficient management of information technology. (paras 14-17) At the times of Covid-19 and increased teleworking, well functioning and secure IT infrastructure is a necessity and means to increase effectiveness. We encourage the ILO to adjust its governance and working methods to the new circumstances.

10. We are encouraged to note the progress made in the risk management function and in the business continuity management. (Paras 18-20)
11. Despite the progress made, IMEC notes with concern remaining significant number of investigation cases to be addressed. (paras 24-25) We reiterate our opinion, that *in order for staff to continue to maintain faith in the system, investigations of allegations must be conducted in a timely manner.*
12. We take note the Committee's review of the ILO Administrative Tribunal. (para 26)
13. We take note with interest the IOAC's ***workplan for the 2020*** and encourage the IOAC to take into account in its future work the need for the ILO to accommodate its activities to the new situation created by the COVID 19 pandemic.
14. We invite the ILO take all the necessary actions to respond to the IOAC recommendations taking into account the GB's forthcoming deliberations.
15. We can accept the revised decision point.