

GB March 2021
PFA Employers' written comments

- **[PFA/6](#) Programme and Budget for 2018–19: Financial report and audited consolidated financial statements for the year ended 31 December 2019**

The assessment of the internal control systems of the ILO further provides confidence that the ILO's operating environment and risk management framework are proving to be effective. On matters that require further work and continued monitoring, the Employers' Group akest note that it encompasses workforce planning and skills development, which includes the need to improve the diversity of the ILO workplace.

- **[PFA/8](#) Report of the Independent Oversight Advisory Committee**

The Employers' Group takes note of the skills-mapping exercise (Recommendation 1) and stress the imperative for this skills-mapping to include all categories of staff (director, professional, national and general) in both HQ and field to ensure that the ILO's core resource for its constituents meet their demands. In particular, the skills-mapping should assess the staff's capacity and skills that are relevant to meeting the needs of the three constituents.

The Group further endorses the IOAC's recommendation on pursuing a review process for handling the reporting of wrong-doings (Recommendation 2) as it is critical for the ILO to develop a culture that is transparent, fair, respectful and inclusive. All staff should feel protected to report wrong-doings through non-bureaucratic means and a retaliation of any sort should not be tolerated.

The Group also wishes to express support to Recommendation 3, which calls for Office management to react to the recommendations provided by the External Auditor. Clear response and follow-up action by management is fundamental to ensure that improvements are made and clear accountability is established.

The Employers' Group supports the revised terms of reference for the Independent Oversight Advisory Committee of the ILO, noting with appreciation:

- The inclusion under the section "Self-assessment and continuous review" of suggestions made by the Secretariat of the Employers' Group (during consultation in September 2020);
- The new text under "responsibilities" that the IOAC may provide advice to the GB in cases of allegation of misconduct or allegation of retaliation concerning the DG;
- The new text under "selection, appointment and term" regarding the induction of new IOAC members, which would overall enable the quick on-boarding of new members.

- **[PFA/9](#) Report of the Chief Internal Auditor for the year ended 31 December 2020**

The Office of Internal Audit and Oversight's (IAO) revised and refocused audit plans executed through remote audits in the context of COVID-19 exemplifies the continuity of an essential Office function to investigate critical matters and offer audits.

The expansion of the IOA's mandate to cover allegations of sexual exploitation and abuse, and retaliation against whistle-blowers will allow the Office to ensure that all staff members and beneficiaries are not subject to conduct that is strictly prohibited and afford staff with protection who report cases of wrong-doing. The Employers' Group stress that the issue of confidentiality is of paramount importance when investigating cases to protect both victims and potential perpetrators.

A culture of prevention on misconduct is critically needed. The first virtual meeting conducted by the Ethics Officer, the IOA and Human Resource Department (HRD) among staff in Africa is a step in the right direction. The Employers' Group further call for such training be offered to all staff, including those in Technical Cooperation positions, at all levels, and be included in key staff capacity development programmes, such as the staff orientation course. The Office should further consider developing a mandatory course on ethics, harassment and fraud as fraudulent statements about benefits and entitlements, and professional misconduct constitute the highest share of substantiated cases.

Continued cases related to Staff Health Insurance Fund (SHIF) fraud and implementation agreements are of a concern. In particular the field audit again reveals the inappropriate use of grant agreements as an alternative to implementation agreements which require a higher level of financial and technical reporting. The Employers' Group express strong support to the IAO's recommendation and also request that a thorough review of all grant agreements be conducted to ensure that the use of grants is fully justified and reporting on activities be reviewed and validated.

In relations to the substantiated cases, the Employers' Group stress the importance of communicating the findings and the lessons learned to all staff members by senior management of the ILO. It is important to note that the Office also bears a responsibility for misdeed that occurs if consequential management is not in place and an effective grievance procedure does not exist. Senior managers at the ILO need to provide proper leadership and institute systems that facilitate ethical conduct and create a climate that can strengthen the relationships and reputations on which the Office's success depends.

- **[PFA/10](#) Matters relating to the Joint Inspection Unit**

The Employers' group expresses support to the Office's position to the UN System Chief Executives Board for Coordination's comments. In relations to strengthening policy research uptake and enhancing inter-agency collaboration, policy coherence among the different UN agencies would need to be prioritized and any such research collaboration should respect and meet constituents needs. In pursuing recommendations that are currently under perusal (e.g. cloud computing service, procurement for commercial service providers), the Office should consider the return on investment, associated risks and budgetary implications for the long-term. On inter-agency mobility, the Employers' Group support the Office position on 'non acceptance' of the recommendation requesting the Director-General to enable all UN system staff members to compete for vacant posts on a basis equal to that established for ILO staff as the unique tripartite mandate and governance structure of the ILO results in specific skills and competencies of ILO staff that is critical in serving the organization's constituents.