

**Governing Body – 344<sup>th</sup> Session, March 2022**  
**Programme, Financial and Administrative Section**  
**Audit and Oversight Segment**

**Workers' Group Comments**

**Document for Ballot by Correspondence**

**GB.344/PFA/8**

**Report of the Independent Oversight Advisory Committee**

The Workers' Group thanks the two outgoing members of the Committee, Mr Harnischfeger and Mr N.R. Rayalu, who ended their terms in December 2021. We welcome the two new members, Mr Marcel Jullier and Mr Gonzalo Castro de la Mata, who began their terms with the IOAC in January 2022. We also took note that Ms Mahon and Mr Liengsriwat were unanimously re-appointed as Chairperson and Vice-Chairperson, respectively.

We noted the Committee's satisfaction regarding the timely submissions of the 2020 consolidated financial statements, the completion of the external audit with an unmodified audit opinion as well as efforts to strengthen the ethics function within the ILO. The IOAC also considered the process of internal controls to be robust.

The Workers' Group welcomes that the Committee will meet with the management to discuss how they will monitor and address the mental health issues of staff due to the trying circumstances related to COVID-19 continue.

We support Recommendation 1 and encourage management to complete the skills-mapping exercise in 2022.

We concur with the IOAC that staff continuity in the investigation team is needed to address the caseload and that the culture of reporting wrongdoings be reinforced through easily understood process. In this regard we stress the importance of Recommendation 2 and also wish to underline the importance of measures to ensure confidentiality, the strengthening of a culture of accountability and to minimize the risks of reprisals.

We also took note of recommendation 3 and are glad that the IOAC is satisfied with progress made on the three outstanding recommendations from its 2021 report.

Our Group also took note of the section on self-assessment which results from the amendments to the IOAC terms of reference agreed in March 2021 and that envisaged that the results of the annual self-assessments be reported to the Governing Body. We noted in the suggested areas for improvement the proposal to expand the focus of the Committee to country-level activities and related risks. We understand that in the past the IOAC reviewed country-level activities. However, such a review should remain cost-neutral, in terms of the budget including by making use of virtual means. We also wish to caution against the risk of over-auditing.

We have also taken note that the JIU recommended that all UN oversight committees should undertake an independent performance evaluation of their operations once every three years. The CEB and UN system oversight committees considered instead that a review once every five years, as required for the internal audit function, would be a more acceptable time frame. They also proposed an internal “peer review” by members of the internal audit function instead of an external evaluation which would facilitate the sharing of best practices and lessons learned.

We have taken note that the IOAC will participate in a pilot project of the peer review process in 2022 with results published in 2023. We understand that the peer review may allow to share best practices across the UN system. However, this may also entail additional work. The right balance will therefore have to be found between the IOAC mandate and the work in respect of this peer review. These are certainly issues we will need to discuss once the results of the peer review will be submitted to the Governing Body.

With these comments we agree with the decision point.