



Governing Body

310th Session, Geneva, March 2011

GB.310/PFA/5/5

Programme, Financial and Administrative Committee

PFA

FOR DECISION

FIFTH ITEM ON THE AGENDA

Audit questions

Appointment of the External Auditor

Overview

Issues covered

This paper concerns the reappointment of the External Auditor of the ILO for a period of four years from 1 April 2012.

Policy implications

None.

Financial implications

None.

Decision required

Paragraph 6.

References to other Governing Body documents and ILO instruments

GB.285/PFA/3, GB.298/PFA/2, GB.304/PFA/7.

1. The appointment of the External Auditor for the Organization is governed by article 35 of the Financial Regulations, which reads as follows:
 1. An External Auditor, who shall be the Auditor-General (or officer holding the equivalent title) of a member State or another person of high competence, shall be appointed in the manner and for the period decided by the Governing Body.
 2. The External Auditor shall not be removed during his tenure of office except by the Governing Body.
 3. The Governing Body may, if necessary, appoint a deputy External Auditor to assist and replace the External Auditor in case of need.
2. In November 2002, the Governing Body approved procedures for the selection and appointment of the External Auditor to apply as from the financial period beginning on 1 January 2008.¹ These procedures provided for an initial appointment for two biennia with the possibility of renewal for a further two biennia without the requirement for a further call for nominations.
3. At its 298th Session (March 2007), the Governing Body appointed the holder of the office of the Auditor General of Canada as the External Auditor of the ILO for the 71st and 72nd financial periods, with the appointment date to commence on 1 April 2008 for a period of four years.²
4. The External Auditor has completed her first biennial audit of the Organization and reported to the Governing Body in June 2010. Following the changes to the Financial Regulations,³ she is currently completing the first annual audit as a further step towards the adoption of International Public Sector Accounting Standards (IPSAS). The External Auditor has been working closely with the Office in its phased implementation of IPSAS and full adoption is planned for the 2012 financial statements.
5. The Director-General believes that it would be appropriate to benefit from the experience the Auditor General of Canada has acquired in her first mandate and reappoint the External Auditor for a further period of four years as from 1 April 2012, thus providing for the audit of the accounts each year during the next two biennia. The holder of the office of the Auditor General of Canada has indicated her willingness to serve as External Auditor, if appointed.
6. ***The Committee may wish to recommend to the Governing Body that the holder of the office of the Auditor General of Canada be reappointed as External Auditor for a period of four years from 1 April 2012.***

Geneva, 13 January 2011

Point for decision: Paragraph 6

¹ GB.285/PFA/3.

² GB.298/PFA/2.

³ GB.304/PFA/7.