



Governing Body

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GB.334/PFA/9

Programme, Financial and Administrative Section
Audit and Oversight Segment

PFA

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NINTH ITEM ON THE AGENDA

Appointment of the External Auditor

Purpose of the document

This paper concerns the reappointment of the External Auditor of the ILO for a period of four years from 1 April 2020 (see draft decision in paragraph 6).

Relevant strategic objective: Not applicable.

Main relevant outcome/cross-cutting policy driver: Enabling outcome B: Effective and efficient governance of the Organization.

Policy implications: None.

Legal implications: None.

Financial implications: None.

Follow-up action required: None.

Author unit: Office of the Treasurer and Financial Comptroller (TR/CF).

Related documents: GB.320/PFA/8; GB.323/PFA/6.

- 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.** At its 320th Session (March 2014),¹ the Governing Body approved the revised procedures for the selection and appointment of the External Auditor to be applied as from the financial period beginning on 1 January 2016. These procedures provided for an initial appointment for two bienniums with the possibility of renewal for a further two bienniums without the requirement for a further call for nominations.
- 3.** At its 323rd Session (March 2015),² the Governing Body appointed the Commissioner of the Commission on Audit, Republic of the Philippines (the Commissioner) as the External Auditor of the ILO for the 75th and 76th financial periods, with the appointment date to commence on 1 April 2016 for a period of four years.
- 4.** The External Auditor has completed his audit of the Organization of the 75th financial period and has provided unmodified audit opinions on the consolidated financial statements for the financial years ending 31 December 2016 and 31 December 2017. The External Auditor has been working closely with the Office, the Independent Oversight Advisory Committee (IOAC) and the Chief Internal Auditor in conducting his work. He also provided value-added recommendations on the governance and operational matters of the Office in his reports to the Governing Body. The annual audit will continue during the 2018–19 biennium.
- 5.** The Director-General believes that it would be appropriate to benefit from the experience that the Commissioner has acquired in his first mandate and reappoint the External Auditor for a further period of four years as from 1 April 2020, thus providing for the continued services on the audit of the accounts and the value-added services. The Commissioner has indicated his willingness to continue serving as External Auditor, if reappointed.

Draft decision

- 6.** *The Governing Body decided to reappoint the Commissioner of the Commission on Audit, Republic of the Philippines as External Auditor for a period of four years from 1 April 2020, covering the 77th and 78th financial periods.*

¹ GB.320/PFA/8.

² GB.323/PFA/6.