



# Governing Body

347th Session, Geneva, 13–23 March 2023

Programme, Financial and Administrative Section

PFA

Audit and Oversight Segment

**Date:** 20 February 2023

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Seventh item on the agenda

## Report of the Independent Oversight Advisory Committee

### Purpose of the document

This document contains the 15th annual report of the Independent Oversight Advisory Committee, covering the period from February 2022 to January 2023, for debate and guidance (see the draft decision in paragraph 4).

**Relevant strategic objective:** Not applicable.

**Main relevant outcome:** Enabling outcome B: Improved leadership and governance.

**Policy implications:** None.

**Legal implications:** None.

**Financial implications:** None.

**Follow-up action required:** The Office will report to the Committee on Office follow-up to the recommendations contained in the attached report.

**Author unit:** Independent Oversight Advisory Committee (IOAC).

**Related documents:** [GB.341/PFA/8](#); [GB.344/PFA/8\(Rev.1\)](#).

1. In accordance with its terms of reference,<sup>1</sup> the Independent Oversight Advisory Committee conducted its work during the period from February 2022 to January 2023 through regular and ad hoc meetings held on 7–9 March 2022, 23–25 May 2022, 14–16 September 2022, 4 October 2022 and 25–27 January 2023. The May and September 2022 meetings were held in person in Geneva, the January 2023 meeting was held in person in Bangkok, and the March and October 2022 meetings were held virtually.
2. The Committee comprised the following members:
  - Ms Malika AÏT-MOHAMED PARENT (France/Switzerland)
  - Mr Gonzalo CASTRO DE LA MATA (Peru)
  - Mr Marcel JULLIER (Switzerland)
  - Mr Verasak LIENGSIWAT (Thailand)
  - Ms Marian McMAHON (Canada)
3. The Director-General hereby transmits the 15th annual report of the Committee to the Governing Body for its consideration.

## ▶ Draft decision

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4. **The Governing Body took note of the 15th annual report of the Independent Oversight Advisory Committee appended to document GB.347/PFA/7 and requested the Office to take into account the guidance it provided.**

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<sup>1</sup> GB.341/PFA/8, Appendix II, approved by the Governing Body at its 341st Session (March 2021).

## ▶ Appendix

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### 15th annual report of the Independent Oversight Advisory Committee

#### Executive summary

The Independent Oversight Advisory Committee (IOAC or “the Committee”) presents to the Governing Body its 15th annual report, on its work during the period from February 2022 to January 2023. Adaptations in format and methods were made to address the various projects undertaken by the Committee.

The Committee would like to compliment the previous and current Directors-General and their management teams for applying the business continuity and crisis management plan in response to the continued challenges associated with the pandemic. We note that the Office was able to continue its operations to meet the constituents’ needs in various working environments.

The Committee was able to cover all key areas of its mandate through more frequent exchanges in addition to its regular meeting schedule. Additionally, the Committee completed an in-depth technical analysis of the eight submissions for the role of External Auditor of the ILO for the period 2024–27. In October 2022, a summary of this analysis was provided to the Selection Panel established by the Governing Body.

The Committee noted a number of policy and process improvements that had been implemented and the results achieved during the year. In particular: (a) the timely submission of the 2021 consolidated statements and the completion of external audit work with an unmodified audit opinion; (b) the comprehensive content of the 2021 Statement of Internal Control issued by the Director-General and the process used in producing it; (c) work performed in the areas of risk management and business continuity management; (d) the continued development of a six-step model for the Office-wide skills-mapping exercise, and the planned fast-tracking of those steps in 2023 for priority groups; (e) the progress made on the communication of the “process flowchart” as a visual guide to the processes for the reporting and subsequent investigation of wrongdoings as well as the follow-up of substantiated cases, with a view to promoting transparency and reinforcing a culture of reporting wrongdoings; and (f) the completion of the first independent peer review of a United Nations oversight committee with results indicating compliance with the best practices identified by the Joint Inspection Unit and the Committee’s terms of reference. Areas noted for improvement are detailed in the report.

The Committee made the following recommendations:

**Recommendation 1:** The IOAC recommends that management address the External Auditor’s recommendations, including those relating to the strategies, policies and procedures in programme delivery and in the area of operational efficiency in the review of the implementation of outcomes 6 and 7 of the 2020–21 Programme and Budget. Areas of improvement identified in the review of implementation agreements and the control environment in the country offices should also be implemented on a timely basis.

**Recommendation 2:** The IOAC encourages management to complete the action plans identified in the Statement of Internal Control relating to accountability and capacity for the delivery of programme/project results; enterprise risk management tools should be further modernized and more training undertaken.

**Recommendation 3:** The Committee encourages management to complete the skills-mapping exercise for the priority groups in 2023 as planned. The Committee expects that the end result will be useful in implementing the Human Resources Strategy 2022–25 and the associated learning action plan.

**Recommendation 4:** Management should ensure that there is adequate staffing in place to address the workload in the Investigation and Inspection Unit of the Office of Internal Audit and Oversight. In order to encourage an open culture of reporting wrongdoings, management must be seen as being able to address issues on a timely basis.

## I. Introduction

1. The IOAC is pleased to present its 15th annual report on its work from February 2022 to January 2023.
2. All meetings were quorate, and all members affirmed and signed a declaration that they had no conflict of interest.
3. The IOAC continued to follow a standing agenda based on the terms of reference that guide its work in order to ensure that all aspects of its responsibilities remain covered fully and comprehensively. In addition, the Chairperson represented the IOAC at the seventh meeting of United Nations (UN) system oversight committees in December 2022, the outcomes of which were shared with IOAC members at the January 2023 meeting.
4. As noted in last year's report, two new members, Mr Marcel Jullier and Mr Gonzalo Castro de la Mata, began their terms with the IOAC at the January 2022 meeting and the existing three members were extended for another three-year term, starting also in January 2022.
5. Considering the membership turnover, the Committee decided to maintain Ms Marian McMahon and Mr Verasak Liengsiriwat as Chairperson and Vice-Chairperson, respectively.

## II. Oversight in 2022–23

6. Committee meetings were held on 7–9 March 2022, 23–25 May 2022, 14–16 September 2022, 4 October 2022 and 25–27 January 2023. The March 2022 orientation session for new members was held virtually, as was the October meeting to finalize the technical evaluation of the External Auditor submissions. The remaining meetings were held in person in Geneva and Bangkok.
7. The IOAC would like to acknowledge the support and cooperation received from the previous Director-General and the ILO's senior management and staff during the past year. The presentations and briefings to the IOAC continued to be of high relevance to its work. The IOAC is also appreciative of the dialogue on key issues, acknowledging the challenging circumstances under which all staff were working. The Committee would like to commend the Treasurer and Financial Comptroller's Office for the excellent secretariat services provided to the IOAC and peer reviewers throughout the reporting period.
8. During its meetings, the Committee met with senior Office officials, including the Director-General, the Treasurer and Financial Comptroller, the Chief Internal Auditor, the Principal Investigator, the Director of the Human Resources Development Department, the Director of the Evaluation Office, the Senior Risk Officer, the Director of the Strategic Programming and Management Department, the Director of the Partnerships and Field Support Department, the Director of the Information and Technology Management Department, the Chief of the Procurement Bureau, and the previous and current Ethics Officers, in order to follow up on matters from its previous sessions and to receive information on items within its mandate. In addition, the Committee met with the External Auditor at its May 2022 and September 2022 meetings.
9. In May 2022, the IOAC met with the Chairperson and Executive Secretary of the Joint Inspection Unit of the UN system (JIU). This was the first meeting the IOAC had held with them and it provided the opportunity to discuss system-wide issues the Unit was focusing on.
10. In January 2023, the IOAC was able to hold its meeting at the ILO Regional Office for Asia and the Pacific in Bangkok. The interactions with the regional and country office staff were greatly appreciated and focused on challenges and lessons learned in delivering their various

mandates. During this meeting, the Committee was also able to visit a development cooperation project on site: the Ship-to-Shore Rights project funded by the European Union. This visit afforded the Committee members the opportunity to increase our knowledge of the oversight and controls in place on activities funded by development cooperation as well as undertakings funded by the regular budget. We would like to extend our appreciation to the regional management and staff of regional and country offices for their time and efforts to ensure the success of our visit.

11. As noted in the peer review report discussed below, visiting a regional office is considered a best practice for UN oversight committees. The IOAC would like to continue this practice every three years when there is a turnover of Committee members.
12. As is good practice for oversight committees, the Committee held private meetings with the Chief Internal Auditor, the External Auditor and others as it deemed appropriate.
13. The Committee presented its annual report for 2021–22 at the 344th Session of the Governing Body (March 2022). Additionally, the Committee appreciated the opportunity to present its comments on the annual financial statements and the report of the External Auditor to the Governing Body at its 344th *bis* Session (May 2022).
14. An informal session was held with the Governing Body in September 2022 and a meeting with the Selection Panel established by the Governing Body was held in October 2022 to discuss the Committee's technical evaluation of the eight submissions for the External Auditor mandate for the ILO for the period 2024–27. The IOAC appreciates the opportunities provided to interact with the Governing Body throughout the year.

### III. Details of IOAC activities and advice provided

#### A. Internal processes and business units

##### Financial reporting and financial statements

15. As indicated above, the Committee provided a verbal update on its review of the 2021 financial statements to the Governing Body in May 2022 before they were presented to and adopted by the Conference. In relation to the financial statements for the year ended 31 December 2021, the Committee noted that the Office continued to present the results in accordance with the International Public Sector Accounting Standards. As a result, the presentation of the ILO's statements was consistent with that of other UN organizations and other entities in the international public sector.
16. The Committee noted in its May 2022 comments that the Financial Report that accompanied the 2021 statements provided explanations on the year's results and issues addressed, which provided assistance to readers of the financial statements in understanding what the numbers represent in terms of the operations of the ILO.
17. The Committee also observed that the Office had achieved an unmodified audit opinion on the consolidated financial statements for the year ended 31 December 2021. The Committee was satisfied that the external audit plan reviewed in November 2021 was fully executed, and was pleased, in particular, to note that the external auditors were able to complete their reviews of ILO country offices and the implementation and delivery of policy outcomes 6 and 7 remotely.

18. The specific issues we addressed with the external auditors included the following:
- The assurance that the major changes of assumptions (discount rates and medical cost inflation rate) used for the After-Service Health Insurance (ASHI) valuation were consistent with other UN entities in Geneva, where appropriate.
  - The areas identified as needing improvement in the implementation and delivery of outcomes 6 and 7 of the 2020–21 Programme and Budget. The recommendations made on the strategies, policies and procedures in programme delivery and in the area of operational efficiency were thorough and all were accepted by management.
  - The areas of improvement identified in their review of implementation agreements and the control environment in the country offices.

▶ **Recommendation 1 (2023)**

The IOAC recommends that management address the External Auditor's recommendations, including those relating to the strategies, policies and procedures in programme delivery and in the area of operational efficiency in the review of the implementation of outcomes 6 and 7 of the 2020–21 Programme and Budget. Areas of improvement identified in the review of implementation agreements and the control environment in the country offices should also be implemented on a timely basis.

## Internal controls

19. The Committee continues to acknowledge the Office's efforts in issuing the Statement of Internal Control as part of the annual financial statements reporting process, a best practice adopted by many UN organizations. The Committee noted the areas identified by management in 2021 as significant internal control matters arising in the year, as well as matters identified in previous years requiring further work, needing improvement, as well as progress made on issues identified in previous years. In particular, we were pleased to note the focus on areas identified in the 2021 Multilateral Organization Performance Assessment Network (MOPAN) review as well as the changes made to the Enterprise Risk Management Framework.
20. Based on the Committee's discussions with internal and external auditors as well as management on the process involved in producing this statement and the results presented, the process appears robust. It was noted that the areas for improvement related primarily to the efficiency of operations and did not indicate any material weaknesses related to the overall effectiveness of internal controls.

▶ **Recommendation 2 (2023)**

The IOAC encourages management to complete the action plans identified in the Statement of Internal Control relating to accountability and capacity for the delivery of programme/project results; enterprise risk management tools should be further modernized and more training undertaken.

## Risk management

21. The Committee was pleased to note the launch of the new Risk Management IT platform as well as the completion of an office risk register template. Feedback that the Committee

received during its visit to the Bangkok regional and country offices indicate that users find these new tools useful.

22. The IOAC was provided with an update of all activities undertaken in 2022 and noted the progress made. A number of outputs were deferred for completion in 2023, including the fraud risk assessment. We look forward to seeing progress on these deferred actions in the coming months.
23. The Committee noted that the take-up rate of the risk training among the target group of P5 to D2 staff remained very low at 5 per cent, while the goal was for 75 per cent of this group to have completed the training. We encourage management to continue to monitor this important initiative and others in order to ensure that accountability for managing risk continues to be clarified and operationalized and that best practices identified across the UN system are incorporated at the ILO, as appropriate.
24. In the area of business continuity management, the Committee noted that the ILO was able to continue its business activities throughout 2022, both virtually and in person. In 2021, the JIU undertook a review of business continuity practices during the pandemic across the UN system and the ILO was included in this review. Some progress has been made on the business continuity plan but the Committee noted that updating the headquarters business continuity plans was deferred until 2023. We encourage management to follow through on the items identified in order to be prepared for future challenges.

#### Human Resources Development Department

25. As part of the orientation for new Committee members, the Human Resources Development Department provided updates on the composition and structure of the staff. Ongoing efforts related to diversity and inclusion were discussed. Efforts made in achieving gender parity as well as recruitment times were presented.
26. In its report to the Governing Body in March 2021, the Committee encouraged management to ensure that the skills-mapping exercise produced an end result that could be understood and implemented in developing the appropriate human resources to meet the current and future needs of the ILO.
27. The Committee discussed the progress made on the skills-mapping exercise currently undertaken by the Human Resources Development Department, building on the experience gained from the pilot exercise conducted by the Business Innovation Unit on future skills-mapping for the Global Technical Team in the Skills and Employability Branch of the Employment Policy Department. The Committee noted the six-step model adopted based on the pilot project and the efforts being made to roll this model out to the technical areas first, followed by the rest of the Office. The updated implementation report indicates that the actual skills-mapping will be undertaken by all priority groups (technical specialists and support staff) by the end of 2023.
28. The Committee continues to view human resources management as a key driver of change for the Organization's performance and to emphasize the importance of demonstrating effectiveness in this area in implementing the Human Resources Strategy 2022–25.



► **Recommendation 3 (2023) – Follow-up from recommendation 1 (2022)**

The Committee encourages management to complete the skills-mapping exercise for the priority groups in 2023 as planned. The Committee expects that the end result will be useful in implementing the Human Resources Strategy 2022–25 and the associated learning action plan.

**Information and Technology Management Department**

29. The Committee was presented with the results of the JIU report on governance with respect to cybersecurity that was issued in 2022. While the assessment provided positive results for the ILO, it did produce a list of recommendations that could be followed if the Office wanted to further enhance its cyber-resilience.
30. The Committee noted management's plan to examine the individual recommendations so that they may be costed in terms of effort and impact. Based on the decisions taken by the Office, it is proposed that progress reports be incorporated into documents providing updates to the Governing Body on an annual basis. The Committee will also request regular updates on progress being made on these issues as well as the overall delivery of the Information Technology Strategy.

**B. Internal and external oversight functions****Internal audit**

31. The Committee met regularly with the Chief Internal Auditor and other staff of the Office of Internal Audit and Oversight (IAO) in order to review and follow up on progress being made under the biennial work plan.
32. The Committee noted that the IAO had prepared a strategic plan for 2021–26, setting out a vision, mission and targets to maximize the effectiveness of the IAO in the context of the ILO's strategic plan and programme and budget. With approval from management, the IAO has begun implementation of its strategic plan.
33. During 2022, the IAO issued nine assurance audit reports and three advisory minutes. One assurance audit covered a field office, four related to headquarters and four related to a development cooperation project. Of the three advisory minutes, two related to information security data breaches that had occurred in the year.
34. The Committee is pleased to note that the IAO's issuance of reports has improved in 2022. We had noted that activities had been significantly curtailed due to the global pandemic, both at headquarters and at field offices, and are satisfied with the delivery against plan this year. The Committee looks forward to the IAO continuing to use its long-term agreements with global consultancy firms to undertake audit work, and to enhance skills in the areas of data analytics and digital audit, as well as expanding its capacity to perform audits remotely.
35. With respect to the seven strategic recommendations presented in the Chief Internal Auditor's report to the Governing Body for the year ended 31 December 2022, as well as the detailed recommendations made in the nine assurance audit reports, the Committee encourages management to strengthen areas in which underlying weaknesses in internal controls have been identified, where practicable.
36. The Committee would like to make note of the assurance audit of the Staff Health Insurance Fund (SHIF). This was a follow-up of the previous report issued in 2018. The IOAC notes the

progress made on a number of recommendations, but we remain concerned that there are three critical- and six high-significance recommendations related to operational control environment issues. We encourage management to take remedial actions to minimize the risk identified and to implement the recommendations.

## Investigations

37. The Committee was provided with ongoing updates on the work being done by the investigation team in the IAO. The Committee was pleased to note that 52 cases had reports issued or cases referred elsewhere and an additional 25 were awaiting reporting. The Governing Body may wish to take note that 81 active cases were carried forward to 2023 compared with 60 cases carried forward to 2022. Staff continuity in the investigation team is needed to address the caseload and should be considered a priority, in order to ensure that the ILO maintains a culture where reporting wrongdoings is encouraged and visible actions are taken to address the issues in a timely manner.
38. As reported in 2022, an overview of the processes in place for handling cases of wrongdoing at the ILO had been requested by the Committee and completed by management. We are pleased to note that the flowchart was finalized and made public on both the ILO public site and the intranet since May 2022. We are encouraged to note that the flowchart will be updated as appropriate in order to encourage and facilitate a culture of reporting wrongdoings.

### ► Recommendation 4 (2023)

Management should ensure that there is adequate staffing in place to address the workload in the Investigation and Inspection Unit of the Office of Internal Audit and Oversight. In order to encourage an open culture of reporting wrongdoings, management must be seen as being able to address issues on a timely basis.

## Evaluation Office

39. The Committee met with the Director of the Evaluation Office and was provided with an update on the Annual Evaluation Report 2021–22 as well as an update on evaluation activities and deliverables planned for 2022–23. The high-level independent evaluation of the ILO's response to COVID-19 was also shared with the Committee. It is interesting to note the overall positive result of this evaluation and the capacity of the ILO to adapt to changing circumstances.
40. The Committee looks forward to continuing regular meetings with the Evaluation Office to ensure that its oversight role continues to operate in effective coordination with the internal and external audit functions.

## External Auditor

41. In relation to the External Auditor's report to the Governing Body on the financial operations of the ILO (the "long-form report"), the Committee would like to express its appreciation to the Commission on Audit of the Republic of the Philippines for the review of the implementation and delivery of outcomes 6 and 7 of the 2020–21 Programme and Budget.
42. The Committee emphasizes its support of the recommendations made on the strategies, policies and procedures in programme delivery and in the area of operational efficiency. The Committee appreciates the thoroughness of this review and is pleased to note that all

recommendations were accepted by management. It encourages management to implement the recommendations in a timely manner.

43. In respect of the External Auditor's review of implementation agreements and the control environment in country offices, the Committee also supports the recommendations on issues relating to policy compliance and controls in order to promote the effective and efficient delivery of policies, processes and procedures towards the attainment of the ILO's objectives.

## Ethics

44. The Committee is pleased with the progress made by the ILO in appointing a full-time Ethics Officer. This is in line with best practices for the ethics function across the UN system. The Committee met with both the previous and current Ethics Officers throughout the year.
45. The Committee noted the 100 per cent increase in ethics advice requests from 2021 to 2022. From the work plan, the IOAC notes the development of an outreach policy, the work started on new online training, plans for a corporate wide ethics survey, policy development and a review of disclosures. These are ambitious undertakings and we look forward to monitoring their progress.

## IV. IOAC internal governance

### A. Follow-up on past recommendations

46. The Committee received an update from management on the three recommendations made in its 14th annual report. The Committee has noted the progress made on two of those recommendations above, in the sections relating to the Human Resources Development Department, internal audit and investigations.
47. With regard to recommendation 3 (2022), encouraging management to address the recommendations made by the External Auditor in the 2020 long-form report, we note that the External Auditor provided an update in Annex A to the 2021 long-form report issued in April 2022 and will continue to monitor implementation of any outstanding recommendations in this year's report.

### B. Peer review

48. The JIU recommended in its 2019 report on review of audit and oversight committees in the UN system that all UN oversight committees should undertake an independent performance evaluation of their operations once every three years. At the sixth meeting of UN system oversight committees in December 2021, the chairpersons of audit and oversight committees accepted the concept of an independent performance evaluation, a concept also endorsed by the UN Chief Executives Board for Coordination. Both groups considered that a review once every five years, as required for the internal audit function, would be a more acceptable time frame for this exercise.
49. The chairpersons proposed that an independent "peer review" be instituted by members of UN system oversight committees in lieu of an independent performance evaluation. This proposal was considered to be a more cost-effective alternative, since the terms of reference for UN oversight bodies were unique and little expertise in this area would be found in any external entity. In addition, the completion of peer reviews by other members of UN system oversight committees would facilitate the sharing of best practices and lessons learned. Accordingly, a working group has been established to develop a process for conducting reviews of the

oversight bodies of other UN agencies, as well as detailed guidance for members of UN system oversight committees in that regard.

50. The IOAC, with ILO management, agreed to participate in a pilot project of the peer review process in 2022. A three-member team of Chairpersons/former Chairpersons from other UN system oversight committees completed this independent review and assessment of the functioning of the IOAC in relation to its terms of reference and identified best practices within the UN. The executive summary of this review is annexed to this report. We are pleased with the positive evaluation received and would like to thank management and the Governing Body for participating in this exercise.
51. As noted in the summary, there were areas of good practice identified and opportunities to further enhance the work of the IOAC. For the opportunities for improvement, the IOAC is pleased to report that a number of these have already been implemented, namely:
  - (a) holding at least one meeting in a regional office combined with project visits;
  - (b) the reinstatement of an annual informal exchange with the Governing Body to discuss more strategic issues.
52. Remaining recommendations for improvement include:
  - (a) The relevant expertise required on the IOAC should be identified and provided, as needed.
  - (b) It is important to visit field offices outside of the regional offices to allow for a better appreciation of challenges and risks being faced.
  - (c) The IOAC and the Evaluation Office should better calibrate the engagement to ensure there is a joint discussion on work plans and results between the different oversight functions and to consider such engagement in the spirit of increasing the efficiency and effectiveness of all oversight functions.
  - (d) There is an opportunity to better socialize, promote and explain the value-added of the IOAC to the ILO's management and Governing Body.
  - (e) The IOAC may wish to work on an annual communications strategy with the secretariat and identify opportunities for highlighting the work and role of the Committee beyond the annual report and official meetings with the Governing Body.
  - (f) There is further scope to ensure better coordination and cooperation among all relevant oversight actors. The Committee may wish to consider organizing annual meetings around the approval of the annual work plans to promote such synergies.
53. The IOAC will continue to assess the feasibility of implementing these recommendations for improvements and report progress made to the Governing Body in future communications.

### **C. Self-assessment and stakeholder feedback**

54. The Committee conducted its annual self-assessment in December 2022. Overall, the operations of the Committee were evaluated as meeting or exceeding expectations. Some administrative changes will be implemented in the current year but, overall, no significant changes to our operating procedures were recommended.
55. As part of our implementation of the improvements noted by the peer review, any further changes identified in our self-assessment will be incorporated.

**D. Work plan 2023**

56. Looking ahead to the Committee's work in 2023–24, the preliminary focus will continue to be on the following areas of its mandate: financial statements and external audit; internal audit and investigations; risk management and internal controls; ethics; and compliance and probity. We will focus our efforts on ensuring consistency of controls, taking into consideration the management and organizational changes being implemented by the new Director-General.

Geneva, 7 February 2023

*(Signed)* Ms Marian McMahon FCPA, FCA  
Chairperson

## ► Annex

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### Executive Summary – Peer Review of the Independent Oversight Advisory Committee of the International Labour Organization

In November 2021, ILO management and the Independent Oversight Advisory Committee of the ILO (IOAC) agreed to an independent peer review of the IOAC as part of a system-wide pilot to develop a peer review mechanism for United Nations (UN) audit and oversight committees. The Panel commenced its work in March 2022 by conducting online interviews with key ILO staff. It visited the ILO headquarters in Geneva on 22–24 May 2022 to meet with the IOAC and to conduct additional in-person interviews with ILO staff as well as representatives of the Governing Body. In addition to interviews, the Panel also reviewed relevant online documentation, annual reports and meeting records.

The report reflects the independent peer review assessment of the Panel members and has the primary objective of assessing whether the IOAC meets its terms of reference as well as the criteria developed by the Joint Inspection Unit. An additional objective for the review was to test a peer review modality and to report back on the pilot at the seventh meeting of the Chairpersons of UN oversight bodies in late 2022. The Panel's approach evolved around the 13 criteria for a successful oversight committee identified in the UN Joint Inspection Unit Report on Audit and Oversight Committees in the United Nations System ([JIU/REP/2019/6](#)).

In the opinion of the Panel, the IOAC of the ILO generally conforms with the 13 criteria for good practices for the oversight committee functions outlined in [JIU/REP/2019/6](#), and complies with its approved terms of reference. This demonstrates a clear intent and commitment to achieving the core functions of an audit/oversight committee. The Panel concluded that the IOAC was at a high maturity level when being assessed against all 13 criteria. The ILO has set a strong policy framework and provided for full independence of the IOAC through a direct reporting line to the Governing Body while also advising the ILO Director-General. The IOAC structure and composition is fully adequate, well resourced, and supported by a part-time secretariat of two staff. The selection process for the IOAC has been outsourced in order to ensure full independence and each of the five members is thus recruited through a rigorous external selection process. The current IOAC membership is geographically diverse and matches the expertise required for this Committee and all five members are senior oversight experts in the areas of finance, audit and inspection. The IOAC's operating practices meet good practices for this type of committee, including a well-established secretariat, an annual work plan, regular reporting to the governing bodies, a regular meeting schedule and interaction with all relevant actors on a regular basis.

The Panel confirmed that the IOAC, through its annual work plan and engagement, was able to fully meet its terms of reference, noting that the IOAC's task of reviewing the financial statements was affected by the short deadlines for comments. While COVID-19 impacted the ability of the IOAC to meet in person, it swiftly moved all of its meetings online.

The Committee has an established annual report and session with the Governing Body. In this regard, the Panel noted that the interactions remain limited to this annual meeting and that the IOAC's advisory role and value-added for the Governing Body could be enhanced. The Panel recognized, however, that more frequent interaction and communications would increase the workload for the Committee and its Chairperson.

The Panel noted that the IOAC's current work is well recognized and appreciated by all interlocutors the Panel met and it is clear that the IOAC has effectively advocated for key organizational changes such as strategic issues, the establishment of a full-time ethics function, strategic workforce mapping, cybersecurity, and other emerging risks. The Panel identified some opportunities for further enhancing the work of the Committee, such as promoting better coordination of the work planning of the External Auditor, the Internal Auditor and the Evaluation Office, using evaluation insights to better inform the IOAC's risk understanding from a programmatic perspective and enhancing interaction with the Governing Body. Finally, the Panel also identified numerous good practices which it intends to share at the seventh meeting of the Chairpersons of UN Oversight Bodies in December 2022.