



Governing Body

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Programme, Financial and Administrative Section

PFA

Audit and Oversight Segment

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Appointment of the External Auditor (2024–27)

Purpose of the document

In this document, the Governing Body is invited to appoint the External Auditor of the ILO for the 79th and 80th financial periods, with the appointment to commence on 1 April 2024 for a period of four years (see draft decision in paragraph 5).

Relevant strategic objective: All.

Main relevant outcome: Enabling outcome B: Effective and efficient governance of the Organization.

Policy implications: None.

Legal implications: None.

Financial implications: None.

Follow-up action required: Appointment of the External Auditor.

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

Related documents: [GB.343/PFA/7](#).

1. At its 343rd Session (November 2021), the Governing Body decided on arrangements for the appointment of the External Auditor for 2024–27,¹ which included the establishment of a Selection Panel to evaluate the applications for the role. The Selection Panel was also required to evaluate the proposals and make its recommendation to the Governing Body.
2. The members of the Selection Panel for the appointment of the External Auditor for the period 2024–27 were:
 - Governments: Ms Alison Durbin, Australia, representing the Asia and Pacific group (ASPAG), Chairperson
 - Mr Aniefiok Etim Essah, Nigeria, representing the Africa group
 - Ms María Dolores Genaro Moya, Spain, representing Europe and Central Asia
 - Mr Germán Proffen, Argentina, representing the Americas group (GRUA)
 - Employers: Mr Blaise Matthey, Switzerland
 - Mr Pierre Vincensini, International Organisation of Employers (IOE)
 - Workers: Ms Annette Mpundu Chipeleme, Zambia
 - Mr Magnús M. Norddahl, Iceland
3. In line with the proposed calendar and key dates of the selection process endorsed by the Governing Body, invitations were sent to all Member States seeking nominations for this appointment. Nominations were received for 11 candidates. Detailed requests for proposals were then sent to these candidates through the ILO's e-tendering system, together with documentation on the ILO relevant to the appointment. Formal proposals were finally received from eight candidates, following which the Independent Oversight Advisory Committee undertook a technical review of each proposal and submitted a report to the Selection Panel. The Selection Panel met in November 2022 and identified three candidates to be invited for interviews, which were conducted in January 2023.
4. The report of the Selection Panel, attached to this document, describes its work and recommendations.

▶ Draft decision

5. **The Governing Body, based on the selection process as outlined in Document GB.343/PFA/7 and the unanimous recommendation of the Selection Panel, decided to appoint the Comptroller and Auditor General of India as the External Auditor of the ILO for the 79th and 80th financial periods, with the appointment to commence on 1 April 2024 for a period of four years.**

¹ GB.343/PFA/7.

▶ Appendix

Report of the Selection Panel to appoint the External Auditor of the International Labour Organization (2024–27)

In accordance with the approved arrangements for the selection of the External Auditor of the ILO, eight formal proposals were received by the deadline of 30 June 2022.

On 4 and 9 November, the Selection Panel (the Panel) met to review the proposals in order to establish a shortlist of three candidates for interview. The Panel reviewed the summary of each proposal prepared by the ILO Chief Internal Auditor, the technical evaluation submitted by the Independent Oversight Advisory Committee and the detailed technical and financial proposals received.

The Panel notes that document GB.343/PFA/7 limited the number of bidders to be invited for interview to three. Constraining the Panel to select three candidates when the number, quality and geographical representation of the proposals to be received are unknown limited the opportunity for it to interview all potentially qualified candidates. The Panel considers that this limitation should be reviewed in future selection processes.

In reaching its decision on the candidates to be interviewed, the Panel discussed in detail its clear objective to select the most competent auditor. In this context, the Panel placed an initial emphasis on technical expertise and subsequently considered the respective financial proposals.

Furthermore, the Panel also deliberated on the regional diversity of candidates to be shortlisted for interview. To support such consideration in future, the Panel proposes that the element under criterion 2 requiring bidders to demonstrate proficiency in English and at least one other official ILO language should be revisited in order to determine whether it is necessary for the performance of the functions of the External Auditor.

Based on discussion and appraisal during its two meetings, the Panel shortlisted the following three candidates, presented in alphabetical order:

- The Office of the Auditor General of Canada
- The Comptroller and Auditor General of India
- The National Audit Office of the United Kingdom of Great Britain and Northern Ireland

The three shortlisted candidates were interviewed in person by the Panel in Geneva on 23 January 2023. They were invited to present their proposal orally and then respond to questions on the detail of their proposal, potential areas of risk, the composition of their audit teams and approach and how their expertise would be of particular benefit to the specific needs and operating environment of the ILO.

The Panel was impressed by the quality and content of all of the candidates' presentations. Each candidate demonstrated that their organization had a clear understanding of the scale of the work, the tripartite nature of the ILO, their technical capacity to provide the ILO with external audit services and the major risks and challenges facing the ILO.

Because of the strong attributes of each candidate, the Panel faced a large task and spent considerable time systematically and objectively considering which of the candidates to propose to the Governing Body as the next External Auditor of the ILO.

Although close in terms of quality, there was considerable divergence in the financial offers. In this respect, the Panel agreed to disregard one proposal that was considerably more expensive without a commensurate differential in the quality of the service offered.

Further deliberations were then held on the remaining two candidates, including on value for money. After exhaustive discussion, consensus emerged and the Panel's preferred candidate by unanimous decision was the Comptroller and Auditor General of India.

The Comptroller and Auditor General of India clearly outlined their approach to developing a strategic partnership with the ILO in order to assist it meet its strategic goals while maintaining critical independence and oversight in performing the functions of the External Auditor. Furthermore, the Panel considered the Comptroller and Auditor General of India's explanation of the proposed use of data analytics, risk profiling and sampling to be highly relevant.

The Panel noted the experience of the Comptroller and Auditor General of India in auditing other United Nations agencies. Furthermore, they demonstrated in their presentation that they had invested considerable energy in preparing for the interview and becoming familiar with the ILO and its operating environment.

The Comptroller and Auditor General of India has not previously served as the External Auditor of the ILO, and the Panel is of the view that this fact presents an opportunity for a fresh perspective. The Panel is confident that they have the technical capacity and commitment to further integrate the unique governance and operating structure of the ILO into their audit approach.

The Panel considered this to be particularly evident in the Comptroller and Auditor General of India's commitment to learning and development and the induction and upskilling of their in-house audit team, and in their overall philosophy as a knowledge-driven organization.