



1 December 2009

Register of financial interests and related party disclosures

Introduction

1. This Directive is issued further to article 8 of the ILO Constitution, which delegates overall responsibility to the Director-General for the efficient conduct of the Office and Chapter 1 of the Staff Regulations. It should be read in conjunction with:
 - (a) the *Standards of Conduct for the International Civil Service*; ¹
 - (b) the Office Directive, *Ethics in the Office*, IGDS No. 76 (version 1) of 17 June 2009; ²
 - (c) the Office Guideline, *Conflicts of interest*, IGDS No. 68 (version 1) of 17 June 2009; ³
 - (d) the Office Directive, *Rules governing outside activities and occupations*, IGDS No. 71 (version 1) of 17 June 2009; ⁴ and
 - (e) Office Procedure, *Register of financial interests and related party disclosures*, IGDS No. 117 (version 1), of 1 December 2009.
2. High standards of conduct and ethical behaviour are fundamental obligations of an ILO official. The resources made available to the Office are public funds contributed mainly by member States of the ILO. Financial management must be conducted in accordance with the strictest ethical standards. It is essential that all activities be carried out in a manner above reproach, with complete impartiality and with no preferential treatment. Action taken must always be aligned with the best interests of the ILO.
3. This Directive supersedes ILO Circular No. 667, Series 6, entitled *Register of financial interests*, dated 26 April 2007.
4. This Directive is effective as of the date of issue.

¹ <http://icsc.un.org/resources/pdfs/general/standardse.pdf>.

² www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002273.pdf.

³ www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002278.pdf.

⁴ www.ilo.org/intranet/edmsp1/igds/groups/dirdocs/documents/igds/igds_002274.pdf.

Scope

5. As part of the Office governance and accountability mechanisms, a disclosure in the form of a register of financial interests must be made by officials occupying positions at the D.1 level and above, the Chief of TRES/OPS, all officials in PROCUREMENT, officials at the P.5 level who exercise financial authority, and any other official whose position is so specified by the Director-General. The disclosure to be made by the official relates to both the official and to his/her close family members.
6. Compliance with International Public Sector Accounting Standards (IPSAS) requires that all key management personnel disclose the existence of related party relationships on an annual basis. For purposes of these disclosures, key management personnel are the Director-General, executive directors, regional directors, the Treasurer and Financial Comptroller, and the Legal Adviser.
7. These disclosures are in addition to the general disclosure of interests required of all officials under the Office Directive, *Ethics in the Office*, IGDS No. 76 (version 1), of 17 June 2009.

Register of financial interests

8. The register of financial interests includes a report of any income, gifts or other allowances that have been received either by the official or a close family member, due directly or indirectly to the official's employment with the ILO. The disclosure form also requires identification of the official's involvement or interest in any entity having a commercial relationship with the Office and which could therefore have an impact on, or be perceived to have an impact on, the official's objectivity or independence in the performance of his/her duties in the ILO.

Related party disclosures

9. IPSAS-compliant financial statements require specific disclosures related to key management personnel. The information required to be disclosed concerns transactions that take place between the Office and key management personnel, their close family members and related parties. Remuneration and compensation provided during the period to key management personnel and close family members must also be disclosed. The information disclosed in the financial statements will **not** identify individual transactions or remuneration paid to individuals. IPSAS requires only that the information be identified in "aggregate", with separate disclosure for officials and for their close family members. However, the information on individual transactions and remuneration must be made available to the External Auditor for review.

Close family members

10. For the purposes of the register of financial interests and related party disclosures, close family members are defined as:
 - (a) a spouse, domestic partner, dependent child or relative living in a common household;
 - (b) a grandparent, parent, non-dependent child, grandchild, brother or sister; and
 - (c) the spouse or domestic partner of a child, a parent-in-law, a brother-in-law or a sister-in-law.

General

11. The completed documents shall remain confidential and may be accessed only by the Office of the Treasurer and Financial Comptroller, Ethics Officer, Chief Internal Auditor, External Auditor or by a person specifically authorized by the Director-General.
12. Officials are reminded that, when confronted by a situation that could lead to a conflict of interest or a perception thereof, they must disclose that interest to their immediate supervisor as required by the Directive, *Ethics in the Office*.
13. Officials wishing to obtain further guidance or advice on the provisions of this Directive are encouraged to contact, on a confidential basis, the Treasurer and Financial Comptroller (trcf@ilo.org) or the Ethics Officer (ethics@ilo.org).

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