

**GB 341, PFA 9, Report of the Chief Internal Auditor for the year ended 31
December 2020
IMEC statement, 13.3.2021**

1. IMEC would like to thank the Office for the report of the Chief Internal Auditor for the year ended 31 December 2020, PFA 9, and also for the virtual briefing.
2. Like in previous years, we would like to express our appreciation for the extremely important work of the Chief Internal Auditor and the Office of Internal Oversight and Audit (IAO). The accountability and effective and transparent management of ILO's work is crucial. Assessing the strength and weaknesses in operations, practices, procedures and control within the Office guides the future development in these areas.
3. The COVID-19 disease has caused major difficulties for the IAO to perform its duties in the normal way, as mission travels have been severely restricted and site visits became impracticable, as the staff was teleworking both in Geneva and in field locations. The staff could not meet with auditors or present necessary original documents, kept in the offices.
4. We welcome and stress the importance of developing new activities enabling the conduct of auditing in these exceptional circumstances, such as remote audits taking advantage of the completed rollout of the ILO's Integrated Resources Information System in all ILO's established field offices and in many project offices. Also investigation cases continued to be processed using inter alia remote verification and remote interviewing techniques.
5. As the report says, it is still impossible to predict when a return to pre-pandemic conditions of travel and office attendance will be possible. IMEC therefore encourages the IAO to continue developing new innovative working methods, some of which might even be useful in the post pandemic time.
6. We congratulate the IAO of being able to issue during 2020 inter alia one assurance audit report covering a field office in Africa and one advisory report relating to headquarters function. We also welcome the cooperation between other international organisations to discuss the impact of COVID-19.
7. IMEC is satisfied to read in para 25 that according to the IAO's findings the Office has demonstrated a high degree of agility, commitment and resourcefulness to adapt or change working practices and policies to continue the delivery of the ILO's programme and budget work. The Office has managed to continue its

operations and maintain the health of staff by increased use on information technology.

8. We however stress also the importance of the five strategic recommendations listed in para 23.
9. As previously, we encourage the Office to implement and report on all audit recommendations in a timely manner. We take note of the findings that in many cases, the responsible unit did not present an action plan on the issue within the required three months and many of the accepted recommendations were not addressed within the six months deadline.
10. IMEC stresses once again the importance of risk management. As recommended by the IAO, use of risk assessments in early stages of development cooperation projects assists in reducing fraud. Also liaising with Senior Risk Officer when planning large-scale project is recommendable. For ILO's accountability we underline the importance of the proper implementation of the proposed recommendation 2 of IOAC (and PARA 30, PFA 8) concerning handling of the wrongdoings at the ILO. It is crucial that management is committed to promote the open culture and the internal processes in order to make reporting for personnel easy, safe and encouraging.
11. We appreciate the important investigations work the IAO pursued in 2020, despite the challenges of conducting such work in a primarily remote environment as a result of COVID-19. We do note the continued occurrence of substantiated cases of fraud and professional misconduct, and we support the IAO's conclusion that additional trainings are needed to address issues related to ethical conduct of ILO officials, inclusive of staff obligations regarding outside activities. We also note with concern the persistent growing backlog of cases under investigation. This might discourage reporting misconduct and should therefore be addressed. We further agree with the IAO's assertion that hiring a full-time Ethics Officer, as proposed in the Programme and Budget for 2022-23, would facilitate implementation of trainings in those areas. However, the ILO Ethics Office should also review as soon as possible current training packages and revise or develop, as necessary, targeted, structured, and regular trainings to improve awareness of the ethical conduct standards required of ILO staff.
12. IMEC invites the Office to implement also the other recommendations of the IAO, such as improved verification of invoices and replacing the use of cash advances by alternative electronic means to transfer funds to seminar participants and vendors.
13. With these remarks IMEC supports the point for decision in para 4.