

**FOR INFORMATION**

FIFTH ITEM ON THE AGENDA

Establishment of an Independent Oversight Advisory Committee

1. In reporting to the Governing Body in June 2006, the External Auditor recommended, inter alia, the establishment of an Independent Oversight Advisory Committee (IOAC) of experts to provide advice to the Governing Body and the Director-General on the effectiveness of internal control, financial management and reporting, and internal and external audit outputs.¹
2. In January 2007, an informal discussion was held with members of the Governing Body, including Regional Coordinators of Government members, employer and worker spokespersons and a representative of the ILO's External Auditor, on the possible mandate and composition of an IOAC. Draft terms of reference were submitted to the Governing Body at its 298th Session (March 2007), including an estimated budget.² The Governing Body recommended that "the Office continue the process of consultation with a view to reaching a consensus on the establishment of an IOAC".³ The Office proceeded to hold informal consultations with members of the Governing Body. Further consultations with members of the Governing Body from all groups are planned for mid-October 2007.
3. A number of issues arose in the Governing Body discussion of March 2007 and in subsequent consultations. There are questions regarding the value added of such a Committee, the possible scope of the mandate and potential overlap with the role of the PFAC. Other issues concern the procedure for nominating candidates to serve on the Committee; the role of the Committee in submitting recommendations and providing advice to the Director-General; and the frequency and duration of the meetings.
4. The Office will continue to facilitate consultations between members of the Governing Body to enable a consensus to be found on the terms of reference for an IOAC that are acceptable to the Governing Body.

Geneva, 12 October 2007.

Submitted for information.

¹ Recommendation 13, Report of the ILO External Auditor 2004–05.

² GB.298/PFA/8.

³ GB.298/8/1(Rev.), para. 91.