

Board of the Centre

89th Session, November 2025

CC 89/5/4

FIFTH ITEM ON THE AGENDA

Follow-up to the recommendations of the Chief Internal Auditor issued in the year ended 31 December 2024

I. Introduction

1. The Chief Internal Auditor of the International Labour Office (ILO), also the Internal Auditor of the Centre, will present at the 89th Session of the Board (November 2025) a report on significant findings resulting from her internal audit assignments undertaken at the Centre in 2024
2. Based on a risk assessment of the Centre's business operations, the Office of the Internal Audit and Oversight (IAO) issued one assurance audit report in 2024 as follows:
 - The audit focused on the procurement policies and procedures and their application, the evaluation of supplier proposals and supplier selection, procurement planning, supplier management and the integrity of supplier database, procurement waivers, the workings of the Contracts Committee, purchase order sequencing, open purchase order monitoring and segregation of purchasing duties of users defined in the Oracle system and the purchase order approval process. The audit identified two improvement areas of high significance: a) controls over the Centre's procurement planning process for procuring high value infrastructure services, which may reduce the need for the Treasurer to waive the requirements for competitive bidding and consequently improve the contract terms negotiated in supplier contracts, and b) defining and documenting a standard methodology for evaluating all supplier offers, which will facilitate objective application of a consistent approach with appropriate due diligence assessments, consequently mitigating the risk of unfavourable contract terms and fraud. The final report was issued in December 2024.
3. This paper reports on the follow-up actions undertaken in 2025 on the IAO's recommendations on the above audit. All high priority recommendations contained in the Internal Auditor's reports, along with the Centre's responses and details of completed follow-up actions, are set out in the Appendix.
4. The Centre continues to work with the IAO to keep the Chief Internal Auditor informed on the progress of the implementation of past outstanding recommendations.

Recommendation No.	Recommendation	Centre's follow-up actions	Implementation status
Audit of Procurement			
1	Management should ensure that all units maintain procurement plans that indicate contract expiry dates, the timing of foreseen procurement activities including all process elements, and that this information be consolidated and centralized annually.	Management agreed to implement procedures to capture the required information in order to ensure procurement is planned well in advance of contract expiry dates. A Procurement Manual addressing these areas is being finalized.	In progress
2	Management should remind staff that any purchasing actions, involving direct selection of suppliers without a competitive process, require approval from the Treasurer and that the use of procurement waivers should be justified and limited to exceptional situations.	Reminder has been issued to relevant staff regarding this requirement. Further awareness raising to the matter will be launched as part of trainings following the launching of the Procurement Manual once finalized.	In progress
3	Management should define and document a standard methodology for evaluating all supplier offers.	Management will ensure this is documented in the Procurement Manual to be issued. A Procurement Manual addressing these areas is being finalized.	In progress