



August 2024

OIA REPORT ON PROGRESS ASSESSMENT OF THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE INSTITUTIONAL SAFEGUARDS REVIEW

IMF staff regularly produces papers proposing new IMF policies, exploring options for reform, or reviewing existing IMF policies and operations. The Report prepared by IMF staff and completed on July 26, 2024, has been released.

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International Monetary Fund
Washington, D.C.



IMF's Office of Internal Audit Releases an Independent Progress Assessment of the Implementation of the Recommendations of the Institutional Safeguards Review

FOR IMMEDIATE RELEASE

Washington, DC – August 28, 2024: Following the December 2023 update on the Implementation Plan (IP) to address the recommendations of the 2022 Institutional Safeguards Review (ISR) ([see PR 23/471](#)), the Office of Internal Audit (OIA) has conducted an independent assessment of the ISR implementation progress.

The ISR, completed and discussed by the [Executive Board in June 2022](#), concluded that the Fund's safeguards mechanisms are generally robust in ensuring a high standard of institutional governance and analytical integrity. In response to the ISR recommendations, a comprehensive IP was developed to outline a set of actions and policy changes that reflect the strong shared commitment of the Board and Management to a durable change in the institution and the highest standards of institutional governance. Staff reported to the Board in December 2023 that substantial progress was made in advancing the IP, with 85 percent of the actions having been completed or remaining on track for completion by end of 2023.

A [recent OIA assessment](#) largely confirms the staff's update.

OIA found that a total of 82 percent of IP actions were completed and on track for completion (64 and 18 percent, respectively), while 18 percent were delayed. The remaining open actions are expected to be completed by the end of this year.

OIA will continue to engage with staff during 2024-2025 to evaluate in-progress and delayed IP actions and will issue the next ISR progress assessment report at the outcome of the evaluation.



July 26, 2024

OIA PROGRESS ASSESSMENT OF THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE INSTITUTIONAL SAFEGUARDS REVIEW

EXECUTIVE SUMMARY

In October 2021, the Fund's Executive Board launched a comprehensive Institutional Safeguards Review (ISR) with the aim of ensuring that the Fund's systems reflected a robust governance structure, which meets the highest standards. The ISR followed an integrated approach which was undertaken by the Executive Board's Steering Group working closely with Management, two staff working groups (i.e., the Internal Governance and Staff Voice group; and the Data and Analysis Integrity (DAI) group) and an External Panel (EP) of experts. The ISR made a range of recommendations in June 2022 to strengthen the Fund's DAI frameworks and improve and enhance trust in the Fund's Dispute Resolution System (DRS).

An Implementation Plan (IP) was developed by the Board Steering Group, Management, and staff, and issued in December 2022. The IP comprises 71 actions that form a package of measures that can be grouped under four key themes: (i) DAI; (ii) leadership-tone from the top; (iii) building trust and strengthening the DRS processes; and (iv) oversight and accountability. Staff reported to the Board in early December 2023 that substantial progress has been made in advancing the IP actions that were due to be completed in CY 2023, with 85 percent of the actions having been completed or remaining on track for completion by end of CY 2023.

The overall implementation of the IP is subject to follow-up and validation by the Office of Internal Audit (OIA). OIA's assessment materially confirms the staff update from December 2023. OIA found that a total of 82 percent of IP actions were completed and on track for completion (64 and 18 percent, respectively), while 18 percent were delayed. The remaining open actions are expected to be completed by end CY 2024. Staff and OIA have not identified at this juncture any significant issues that would impact the completion of these remaining actions. For a few instances of completed and in progress IP actions, OIA also identified forward-looking opportunities for enhancing implementation and measuring effectiveness of IP actions in the future. Opportunities are offered as additional observations, and do not represent deficiencies vis-à-vis the original implementation plan; it is therefore left to staff initiative and discretion to operationalize. Resources required for operationalization were not assessed by OIA. Those opportunities for enhancements will not be monitored, nor followed-up as part of OIA's ISR assessments.

OIA will continue to engage with staff during CY 2024-2025 to evaluate in-progress and delayed IP actions and will issue OIA's next ISR progress assessment report at the outcome of the evaluation.

Approved By
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ABBREVIATIONS

APD	Asia and Pacific Department
AT	Administrative Tribunal
CAM	Executive Board's Committee on Administrative Matters
COM	Communications Department
CRS	Common Review System
CY	Current Year
DAI	Data Analysis and Integrity
D&I	Diversity and Inclusion Office
DMD	Deputy Managing Director
DRS	Dispute Resolution System
EAC	External Audit Committee
EP	External Panel
EUR	European Department
FIN	Finance Department
FY	Fiscal Year
GC	Grievance Committee
HRD	Human Resources Department
IEO	Independent Evaluation Office
IP	Implementation Plan
ISR	Institutional Safeguards Review
LEG	Legal Department
MCD	Middle East and Central Asia Department
MCM	Monetary and Capital Markets Department
MD	Managing Director
MDT	Mediation Office
OBP	Office of Budget and Planning
OEDs	Offices of Executive Directors
OIA	Office of Internal Audit
OII	Office of Internal Investigations
OMB	Ombuds Office
PMR	Periodic Monitoring Report
SEC	Secretary's Department
SPR	Strategy, Policy, and Review Department

BACKGROUND

1. Subsequent to its review of the matters raised in the investigation of the 2018 World Bank’s Doing Business report in October 2021,¹ the Fund’s Executive Board launched a comprehensive Institutional Safeguards Review (ISR) with the aim of ensuring that the Fund’s systems reflected a robust governance structure which meets the highest standards. The

Executive Board noted that while it had “*confidence in the impartiality and analytical excellence of IMF staff and in the IMF’s robust and effective channels for complaint, dissent, and accountability,*” it would at the same time consider “*possible additional steps to ensure the strength of institutional safeguards in these areas.*” As a follow up, the Board established a Steering Group of Executive Directors to lead the review with the objective of helping to ensure the staff, Management, and Executive Board maintain the highest possible standards around internal governance, use of data, and accountability.

2. The ISR - based on an integrated approach undertaken by the Executive Board’s Steering Group, working closely with Management, two staff working groups (Internal Governance and Staff Voice; and Data and Analysis Integrity (DAI)) and an External Panel (EP) - made a range of recommendations in June 2022 to strengthen the Fund’s DAI frameworks and improve and enhance trust in the Fund’s Dispute Resolution System (DRS). In its December

2022 joint response, the Executive Board and Management noted which of the ISR recommendations were accepted and identified several actions to implement in the near-term. It also committed to undertake further work to carefully consider the reports’ remaining recommendations and determine how best to implement a comprehensive set of measures and policy changes that would constitute significant institutional and cultural change. An Implementation Plan (IP) was developed in close consultation with staff and issued in December 2022.² The IP comprises actions that form a comprehensive, mutually reinforcing package of measures that can be grouped under four key themes: (i) DAI; (ii) leadership - tone from the top; (iii) building trust and strengthening the DRS and processes, and (iv) oversight and accountability.

3. A decision was made by Management, and approved by the Board in December 2022, that the overall implementation will be subject to follow-up and validation by the Office of Internal Audit (OIA). This approach is consistent with the process already followed for Board-endorsed Independent Evaluation Office (IEO) recommendations through OIA’s Periodic Monitoring Reports (PMRs). The IP noted that collectively, as an institution, a variety of means (OIA audits, staff engagement surveys, pulse surveys) will be leveraged over time to assess the progress of the IP, and the extent to which fully completed actions are contributing to positive improvements in the operation of the DRS and enhancements to the organizational culture.

¹ See [Statement by the IMF Executive Board on its Review on the Investigation of the World Bank’s Doing Business 2018 Report](#) (October 11, 2021).

² See [Implementation Plan in Response to IMF Executive Board and Management Endorsed Recommendations of the 2022 Institutional Safeguards Review](#) (December 1, 2022).

ENGAGEMENT OBJECTIVES, SCOPE AND APPROACH³

4. The objectives of this engagement were to independently validate the extent to which IP actions have progressed or have been fully completed from a design standpoint, and also to report on the actions that are in progress (ongoing). Periodic reporting of the implementation progress and concerns (if any) intends to allow the Board and Management to undertake necessary interventions in a timely fashion. The assessment scope pertained to the Board-endorsed actions to address the four DAI and 42 EP recommendations representing 71 IP actions, as detailed in the Implementation Plan, based on staff's December 1, 2023, update paper.⁴ Fieldwork for the assessment was substantially completed at end March 2024.

5. This engagement did not assess the following out-of-scope areas:

- Adequacy of the IP and detailed actions that have already been approved by the Executive Board to address the ISR recommendations, and in turn OIA is not in the position to assess or challenge the design of those actions.
- Appropriateness of the composition and structure of the IP Workstreams and Task Teams that are assigned ownership of action(s).
- Reasonableness of the net cost and resource implications (i.e., accommodatable within existing budget envelope versus net budget impact) described in the IP. To the extent possible, any resource constraints and implications identified by departments were reported when evaluating progress.
- Operating effectiveness of completed IP actions, as the implemented processes and controls will continually operate as designed in the long run. There needs to be sufficient time to accumulate the data points for measuring how effective these completed actions will be in advancing the original goals of the ISR.

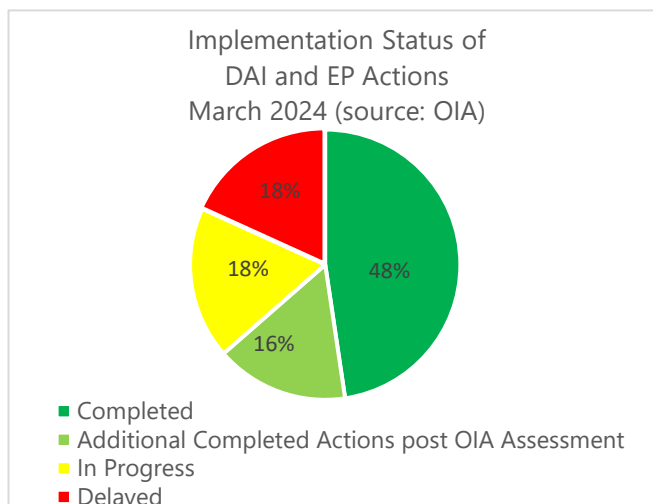
6. The engagement objectives were achieved through examination of available documentation and interviews with key stakeholders particularly in the ISR implementation core group (COM, D&I, DRS Offices, HRD, LEG, SEC and SPR) where appropriate. In addition, OIA met with certain area departments (APD, EUR, MCD) and other functional departments (FIN, MCM) to understand their activities and controls when implementing the DAI action plans. OIA also commented as deemed necessary on the sufficiency and nature of actions taken by departments and Management to complete the IP and measure actual implementation.

³ This engagement was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing.

⁴ See [Staff Report on ISR Implementation Progress Board Update](#) (December 1, 2023).

OVERALL CONCLUSION

7. OIA concludes that 45 IP actions, or 64 percent, have been completed.⁵ Specifically, OIA concurs with staff assessment that 34 actions (or 48 percent of total actions) can be considered as completed as of December 2023 based on evidence provided. Details of those—four DAI actions and 30 EP actions— with supporting rationale are provided in section I of the detailed report below and Annex I. Furthermore, OIA found during this assessment that an additional 11 EP actions (16 percent of total) classified as ongoing (in progress/on track) by staff were completed in design based on evidence reviewed. In those instances, staff generally intended to signal that the various initiatives taken to implement the actions will remain ongoing in future years, even though no more work on the design of actions is needed. Details of those 11 actions and rationale for updated implementation status are provided in section I and Annex II.



8. Thirteen IP actions remain on track/in progress, representing 18 percent of total actions. This number—composed of one DAI action and 12 EP actions— aligns with update provided by staff as of December 2023. OIA noted that there were no new significant developments since December 2023 allowing to change the status of implementation. Implementation of the majority of those actions is anticipated during the remainder of CY 2024 and details are provided in Annex III. Together with completed actions, 58 IP actions, or 82 percent of total actions, are therefore completed and in progress. This number materially aligns with the December 2023 staff update (85 percent).

9. Thirteen IP actions are delayed, representing 18 percent of total actions. This number — comprised of one DAI action and 12 EP actions— is consistent with the update provided by staff as of December 2023, with one exception.⁶ Six of those action plans are assigned to the Board. Implementation of the majority of delayed actions is anticipated during the remainder of CY 2024 and details are provided in Annex IV.

⁵ OIA's count is based on 46 IP recommendations (4 related to DAI and 42 related to the EP), representing a total of 71 separate actions. In some instances, a single action addresses several related actions that would then be assigned the same progress status.

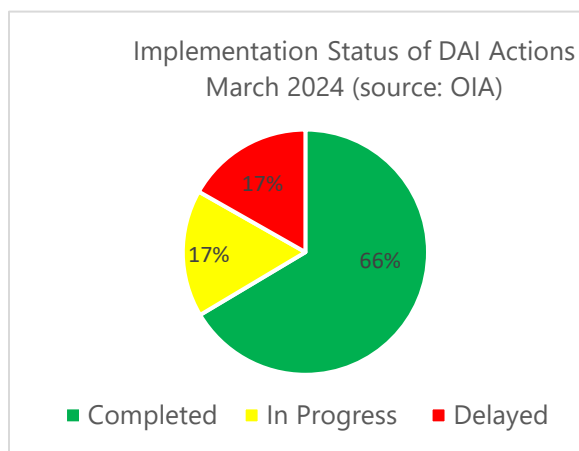
⁶ Action plan EP 5 has been added to the list of delayed actions by OIA.

DETAILED REPORT

I. OIA assessment of completed IP actions

Data and Analysis Integrity (DAI)

10. Four DAI IP actions (out of six) have been completed through the issuance of detailed technical guidance by Management to departments. Four Guidance Notes were issued between February-June 2023 to provide technical guidance to staff to: (i) clarify and formalize the terms of engagement between Offices of Executive Directors (OEDs) and Fund staff (DAI 1A); (ii) clarify the role of Management in the internal clearance process of Fund documents (DAI 2); (iii) ensure evenhanded coverage of emerging areas such as climate, digital money, gender, and inclusion issues (DAI 3); and (iv) improve the transparency and documentation of the internal review process, in particular by more extensively using the eReview system, and its replacement, the Common Review System (CRS), slated for deployment in July 2025 (DAI 4A). Additional details are available in Annex I.



11. OIA found that the content of the Guidance Notes addressed the ISR recommendations and were disseminated within departments, who are incorporating technical guidance in processes and documents. The Guidance Notes are well detailed and cover in substance the requirements and observations formulated in the ISR recommendations. Based on interviews with SPR and other departments, OIA also found that the Guidance Notes have been circulated and discussed with staff. Staff interviewed mentioned that the guidance was useful. Staff interviewed generally did not report having issues pertaining to undue influence or threat to independence when interacting with OEDs and authorities (DAI 1A). Departmental office coordinators assist with compliance of new documentary requirements (e.g., additional documentation in eReview per DAI 4A). In addition, OIA reviewed a sample of country documents available in the eReview system post June 2023. That review showed that departments are updating documents and the eReview system in line with the main provisions of the Guidance Notes (DAI 2, 3 and 4A). However, given: (i) scope exclusions mentioned in paragraph 5 above, (ii) current procedural and system change in the review process, and (iii) recent issuance of, and evolving, technical guidance in some cases, OIA's assessment did not intend to extensively measure, nor provide assurance on, departmental compliance mechanisms. See additional comments in section II.B and II.C.

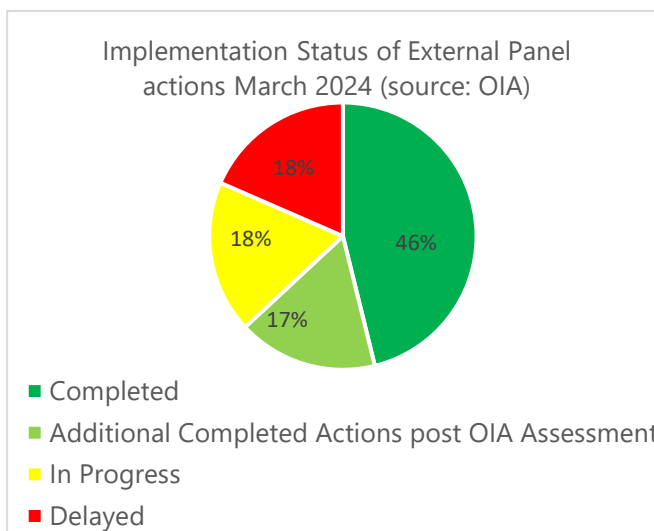
12. Guidance Notes are available on the Fund's intranet. In addition to intradepartmental circulation, the four Guidance Notes are available on the Fund's ISR intranet. It is also worth noting that the content of the Guidance Notes DAI 2, 4A is now subsumed in the new comprehensive

“Guidelines for the Interdepartmental Review Process” circulated to departments in December 2023 and posted on SPR’s intranet. Guidance Note DAI 3 is available on the latter, and also incorporated by reference in the new Guidelines. Procedures for staff and OED personnel (DAI 1A) are available through the Fund’s Institutional Repository, and on the Board’s intranet (IMF Connect). See additional comments in section II.A.

External Panel (EP): Leadership and tone from the top; building trust and strengthening the DRS and processes; oversight and accountability.

13. Forty-one out of 65 IP actions, or 63 percent, have been completed through various initiatives. OIA found that those actions were mostly completed via:

(i) update to policies (Board papers, Staff Handbook, Categories of Employment) and Terms of References; (ii) staff outreach and training; (iii) increased resources granted to HRD and DRS offices; (iv) strengthened engagement of the DRS offices with Management and the Board; and (v) Fund-wide dissemination and publication of DRS-related matters. Overall, actions taken by the Fund allows improving leadership and tone



at the top, strengthening the DRS and its processes, and providing adequate oversight. Results from those IP actions are summarized in Box 1 and additional details are available in Annex I and II.

14. OIA noted that one IP action was implemented with a modification post staff update in late December 2023. Specifically, Management did not adopt the original recommendation of the Expert Panel to establish two separate teams within HRD responsible for administrative review and early dispute resolution, respectively (EP 32).⁷ Those responsibilities currently reside within HRD’s Employment Practices (HRDEP) Unit. After conducting a benchmarking study and assessing resource needs, HRD reported to Management that professionals experienced in administrative review can support early informal dispute resolution, and that this is borne out by HRDEP’s effectiveness in resolving disputes. Establishing separate teams would remove that synergy and require resources for additional management oversight. In addition, benchmarking data shows that organizations generally did not have separate teams for those functions. As proposed by HRD, Management approved a significant increase in HRDEP’s resources, along with various streamlining measures, to measure and improve HRDEP’s effectiveness. The resourcing approved for HRDEP is to be phased in over time. OIA agreed with staff that this action plan can now be considered as completed.

⁷ Staff had previously reported to the Board that this recommendation required further consultation and additional work led by a staff task force before it could be completed.

Box 1: Summary of completed EP actions

Leadership and tone from the top

- Annual training on ethics for all OED personnel.
- Publication of the summary statement on the Board Ethics Committee's activities at the end of each two-year term (first publication in 2022).
- Annual publication of the summary financial interests for the Managing Director (MD) and Deputy Managing Directors (DMDs), first published in 2023, following update in Fund policies.
- Access by all OED personnel to informal DRS services provided by the Ombuds Office (OMB) and the Mediation Office (MDT).

Building trust and strengthening the DRS

- Changes in categories of employment for four DRS Heads of Offices and DRS staff, plus additional resources provided to DRS offices.
- Additional resources for, and streamlining of processes of, HRD's Employment Practices Unit to improve its performance.
- Regular meetings between Management and DRS offices and briefing by the DRS offices to the Board with Management present on an annual basis.
- Updates to Staff Handbook and policies in various areas, in particular to strengthen Office of Internal Investigation's (OII) independence and centralization role, clarify process for handling retaliation allegations, and reporting suspected retaliation.
- Greater transparency on outputs through publication of DRS reports with enhanced disclosures on outcomes (OII reports).
- Increase in OII's outreach initiatives, and outreach on DRS work, to be carried out on an ongoing basis. Proactive communication by the DRS Offices of the mandatory obligations of staff and managers.

Oversight and accountability

- Issuance of a new OIA Charter with measures to strengthen the Office's independence. (Approval by the External Audit Committee of OIA's annual Program of Work). Increase in OIA's resources.
- Strengthening of risk management procedures and processes led by ORM (in particular through implementation of various recommendations of OIA's 2021 Audit of the Fund's Enterprise Risk Management framework).

II. OIA's considerations for enhancements to IP Actions

15. This section presents seven areas where OIA identified forward-looking opportunities to improve and enhance implementation of certain DAI and EP completed and in-progress actions. Those enhancements are offered as additional observations, do not represent deficiencies vis-à-vis the original implementation plan, and do not modify OIA's assessed status of those actions. Their implementation is therefore left to staff's initiative and discretion to operationalize. Costs to operationalize those enhancements were not assessed by OIA. Implementation will not be monitored in the context and scope of OIA's ISR assessment procedures.

Data and Analysis Integrity

A. Terms of engagement between OEDs and Fund staff (DAI 1A - Completed)

16. The June 2023 Guidance Note, on terms of engagement between OEDs and Fund staff, does not include provisions to measure implementation. The Guidance Note issued in June 2023, as a joint document applicable to both OEDs and staff (i.e., a Board paper and a memorandum issued by the FDMD, respectively), seeks to clarify the terms of engagement between OEDs and staff to ensure a shared understanding of issues. Guidance was provided along three main principles: continuous and candid dialogue; independence of staff technical analysis and policy advice; and mutual respect and professional courtesy. The guidance also provides definitions of undue influence as pressure to influence staff analysis or take actions that are not justified by Fund policies. However, the guidance issued by the FDMD does not envisage measuring staff's adherence to the principles discussed, nor their perception of the relationships with OEDs, vis-à-vis the principles above. Measurement of OED personnel's adherence to principles of the guidance would also be desirable.

17. Future surveys could measure the effectiveness of the June 2023 Guidance Note. For example, staff perception of undue influence when conducting analysis, and quality of interactions with OEDs, may be topics worth including in Fund surveys (for example, as conducted by SPR). Measuring implementation of guidance, including for OED personnel, would also align with the objectives of action plan EP 1B (exploring effective mechanisms to raise concerns by staff about undue influence, see Annex IV). In addition, guidance for OED personnel could be added to OEDs' personnel annual onboarding as part of existing ethics training. Staff indicated that plans exist to enhance the OED onboarding training accordingly.

B. Role of Management in the review process and strengthening of the documentation of the review process (DAI 2, 4 - Completed)

18. Guidance Notes on the role of Management in the review process (February 2023), and the strengthening of the documentation of the review process (March 2023), do not require a compliance mechanism or effectiveness measurement. Those two notes aim at providing guidance towards: (i) enhancing the transparency of the Management decision-making processes and providing clearer expectations on the content and preparation of Memorandums to Management; and (ii) better documenting the departmental review process and expanding the

perimeter of documents that use the eReview system (and the new CRS in FY 2026). As noted in paragraph 11 above, staff are incorporating guidance into their procedures. However, the Guidance Notes do not require departments to report to Management on implementation, nor do they provide a specific mechanism to measure, and report on, implementation as part of the monitoring of the review process. OIA's conclusions of its FY 2024 Benchmarking of the Review Process had noted opportunities to improve the measurement of compliance with technical guidance in the context of the new CRS.^{8 9}

19. Improvements in interdepartmental review policies, and the upcoming upgrade of the review system provide opportunities to better measure implementation of guidance.

Specifically, the recently issued Guidelines for the Interdepartmental Review Process: (i) require all departments to have a senior manager assigned to oversee their department's interaction with the Fund's review process and all aspects of their department's review process (e.g., staff onboarding, quality control); (ii) create a new Interdepartmental Working Group on the Review Process chaired by SPR. The Working Group could include in its program of work the monitoring of compliance with relevant provisions of the Guidance Notes and other review policies.¹⁰ The new CRS should also allow better tracking of review activities and improve auditability of performance. Against that background, the functioning of the review process and its transition to CRS will be revisited by OIA during CY 2025/2026 as part of the progress assessment for action DAI 4B (assess adaptation of the review process to CRS, see Annex III).

C. Evenhandedness in surveillance of emerging priority areas (DAI 3 - Completed)

20. Staff have identified compliance delays with the April 2023 Guidance Note on evenhandedness in surveillance of emerging priority areas. The Guidance Note for DAI 3 intends to provide interim and operational guidance to staff. It also requires that country teams outline their plans to assess the macro-criticality of emerging priorities starting with policy consultation meetings on or after June 1, 2023. OIA found that departments and SPR work collaboratively to include guidance in country documents (also see paragraph 11). In that respect, SPR reported that junior and senior reviewers are actively assisting country teams by bringing their attention to this guidance, clarifying its requirements, and providing cross-country examples. On the other hand, SPR indicated that guidance has been included somewhat slowly in country documents during 2023,

⁸ OIA's benchmarking was conducted as part of the in-progress DAI 4B action. OIA concluded at the time that: "It is important that the new CRS provides capability to measure performance (volumetric data, detailed audit logs). In addition, it is also important that adherence to review policies and guidance be assessed in the context of CRS implementation. Those responsibilities could be assigned to a dedicated team at the Fund. This compliance monitoring would also support the implementation of certain recommendations of the ISR."

⁹ In line with OIA's observations, staff had also mentioned in the December 2023 Board update that: "The effective adherence and operationalization of this (DAI) guidance will be critical for success and implementation will need to be closely monitored by first-line departments and reinforced through institutional review/enforcement mechanisms."

¹⁰ Responsibilities of the Working Group include for example: the identification of good practices and problems with implementation of review guidance, for follow up by relevant departments; and the diagnostic of shortcomings in the dissemination of Fund policies (contributing to review frictions), for reviewing department action.

albeit improving in recent months. It was also noted that certain documents mentioned in the Guidance Note that are intended to support staff analysis are still in progress.¹¹

21. Depending on results of continuing SPR monitoring of departmental compliance with provisions of the Guidance Note, additional measures may need to be developed during FY 2025 to ensure full implementation. SPR noted that it plans to conduct a comprehensive survey of Article IV Policy Notes in June 2024 to assess the implementation status. Based on results SPR will decide if further engagement with reviewers and/or country teams is warranted to ensure full implementation. Technical guidance to support staff analysis should also be issued promptly to assist departments in implementing guidance.

External Panel: Leadership and tone from the top; building trust and strengthening the DRS and processes; oversight and accountability.

D. Monitoring framework for EP actions (multiple completed actions)

22. The framework for assessing effectiveness and continued implementation of EP actions lacks specificity. In line with earlier IP communication, staff indicated in the December 2023 update that the monitoring framework for ISR implementation (for both DAI and EP action plans) will continue to leverage a variety of mechanisms, including OIA assessments.¹² While in agreement with this statement, OIA finds that the framework lacks specificity as to the ownership and scope of the monitoring framework, including survey coverage.

23. Upon completion of the remaining IP actions, staff may want to take stock of, and document, the principles of the monitoring framework that will be applied in future years. A detailed monitoring framework, that would require some coordination across departments, would help ensure that staff adequately define follow up of the various action plans and monitor implementation to carry on the momentum of implemented changes in the future. For example, a memorandum could summarize intended actions and monitoring responsibilities for the following categories:¹³

¹¹ For example: the Board paper on Digital Money and International Monetary System was delayed to FY 2025 after Management requested further analysis; the Central Bank Digital Currency Handbook work is still progressing on the different chapters; and climate vulnerabilities will form part of a background paper in the context of the Comprehensive Surveillance Review (expected to be completed in 2026).

¹² The update indicated that: "The monitoring framework for ISR implementation will continue to leverage a variety of mechanisms (targeted staff pulse surveys, risk culture surveys, OIA assessments of ISR progress) over time to gauge the impact of completed ISR actions in bolstering safeguards for data integrity and in shaping enhancements to the organizational culture."

¹³ The monitoring framework may exclude certain implemented actions (Annex I) that are self-contained and that would not require additional monitoring. For example: EP 8(iv)A - Revisions to retaliation policy; EP 8(ix) - ToR amendments for MDT and OMB; EP 11 - Changes in categories of employment for DRS personnel; EP 15A - EAC's approval for OIA's Program of Work; EP 40- Standardized case intake form.

(i) Actions that are intended to be covered by issuance and publications of documents on a continuous basis and set periodicity, e.g., annually. This category would include for example: EP 2 - MD and DMDs' financial statements; EP 7 - OII report; EP 9A(i) - Ethics Committee report; EP 9B - Grievance Committee report; EP 34 - Lessons learned memorandum, etc.

(ii) Actions that will rely on some form of periodic communication, outreach, and training by Management and/or DRS offices. This would include for example: EP 6 and 7 - Management updates; EP 8(iv)B/C - Flagship events; EP 8(iv)D - Ongoing communication; EP 8(v)B - Focus groups; EP 9 A(ii) - Training on the Board Code of Conduct, EP 14 - Joint meetings; EP 24B -Staff protections; EP 30 - Culture change program; etc.

(iii) Actions related to staff's perception of, and experience with, the DRS processes. This could include DAI 1A - Staff engagement with OED; EP 3A - OED access to informal DRS; EP 8(ii)(iii) - Retaliation; 19B - MD's stance on retaliation; EP 24B - Staff protections; EP 25 - Recognition for DRS participation; EP 26 - Accountability measures for missed deadlines; EP 32 - Employees relations unit, etc.

Implementation of this latter category may be best measured by periodic surveys and could therefore be included for example as part of EP 8.8A/B - Staff engagement surveys and follow-up pulse surveys (see Annex I, III), or other types of surveys conducted by departments.

(iv) Actions that include service level indicators (e.g., following procedures related to EP 32, there is currently a 15-day target for the processing of first level administrative reviews and a 45-day target for the processing of second-level administrative reviews).

24. This memorandum could be endorsed by Management, and then shared with the Board, and eventually staff, as part of Management's annual briefing on DRS matters. Annual DRS Board briefings in future years would report on the effective application of the framework in the various categories of IP actions. OIA did not assess budgetary implications associated with the definition of such framework, nor its monitoring. HRD noted that budgetary implications would need to be assessed for additional coordination across departments and enhanced monitoring and reporting. For example, the potential need for a central coordinator role—with responsibility for monitoring, follow up, and reporting on agreed actions—which is not a role that currently exists. Another example of possible enhanced coordination would be the circulation of DRS's draft reports to Fund stakeholders to provide early input on issues raised in the reports, or correct inaccurate statements.

E. Consistency of sanctions applied to misconduct and communication to staff (EP 7, 18, 19B - Completed)

25. Procedures to assess consistency when applying sanctions are not explicitly defined in Fund policies. EP actions 7, 18 and 19B collectively require the consistent penalization of misconduct, and visible and transparent actions taken against those who have acted improperly. In that respect, OIA noted that improved and published OII reports now provide more information on

the nature of disciplinary cases and sanctions taken in a summarized fashion, which represents a suitable implementation of the action plans in the areas of visibility and transparency. HRD and LEG routinely discuss the consistency of sanctions for substantiated misconduct. However, consistency - that was emphasized in the June 2022 External Panel report on the DRS¹⁴ - is not explicitly required in Fund procedures, and it is not highlighted in staff communications and outreach.¹⁵

26. OIA supports HRD’s proposal to possibly update the Staff Handbook (e.g., as an addition to Chapter 11.02-Disciplinary measures, Section 7.2-Proportionality). The detailed language for such an update could be agreed after appropriate consultation with the relevant stakeholders. Consultations held between the two departments on specific cases should be well documented in staff files for record-keeping purposes, subject to consideration of appropriate confidentiality protections for deliberative document. Future staff outreach, training and DRS reports may also highlight the consistency aspect of Fund procedures when describing disciplinary measures.

F. High-level communications by Management (EP 19A, 20 - Ongoing)

27. EP actions pertaining to high-level communications by Management are not sufficiently detailed. EP actions 19A and 20, assigned by staff to OMD for implementation, relate to: (i) visible, strategic, and frequent communication of the MD’s stance against retaliation; and (ii) MD’s hosting of roundtable discussions designed to generate buy-in and build shared expectations about how common workplace challenges such as issues of data analysis and integrity, bullying or retaliation, will be managed. Those two actions have an ongoing status, but the update provided by staff as of December 2023 as to modalities for future implementation appears vague and does not identify at this stage specific initiatives or timelines to be proposed by staff (see Annex III). Staff indicated that the MD and DMDs are bound by confidentiality provisions, therefore, the proposed roundtable discussions should be limited to discussing misconduct generally, without discussing specific cases.

28. Staff - working collaboratively across departments - could propose to Management specific initiatives to better document future completion of EP actions 19A and 20. The role of the various departments that may be involved in the completion of those two action plans in support of Management (e.g., COM, D&I, HRD, SPR) would need to be clarified. OIA also noted that considerations for implementation of those two actions could possibly be aligned, or combined, with similar EP actions on culture change efforts and communication (e.g., see EP 6 and 7 in Annex II

¹⁴ Specifically: “The Fund must walk the talk: unethical conduct (including harassment, bullying, retaliation, fraud, undue pressure) should be penalized consistently and the sanctions taken need to be communicated to staff (for instance through regular anonymized reporting on cases of unethical conduct and the consequences for the wrongdoer).”

¹⁵ LEG clarified that consistency in application does not mean invariably. Rather it must be understood as the application in a fair manner that treats like cases of discipline alike. While the expectation of fairness is inherent in the assessment of the adequacy of disciplinary measures, the proportionality of the sanction must also take into account the individual circumstances of the case (as explained in the Staff Handbook, section 7.2 of Chapter 11.02). It is very unlikely that any two disciplinary cases will be identical.

and III). Progress for those two action plans will continue to be evaluated as part of OIA's next assessment of ISR implementation.

G. Lessons learned from Administrative Tribunal (AT) and Grievance Committee (GC) processes (EP 14B and 34 - Completed)

29. EP actions 14B and 34 require: (i) an annual Board briefing by Management on the activities of DRS offices; and (ii) a transparent learning process regarding AT through communication of lessons learned from those cases to Management and the Board, the latter as part of the annual engagement on DRS activities. OIA noted that LEG's FY 2023 Annual Report on Litigation to Management (the report) now contains a "lessons learned" section that proposes improvement to the functioning of the AT and GC processes reflecting on outcomes of individual cases discussed in the report. Management reflects on lessons learned as part of the annual engagement on DRS activities initiated in FY 2023 (for example, by providing high-level views on lessons learned, or details of certain follow up actions).

30. Resulting improvements in policies and procedures led by Management could be better communicated to staff. Action plans prepared by Management in response to lessons learned to improve Fund policies and procedures do not appear widely communicated in a streamlined fashion. Such communication, in a manner to be determined by relevant stakeholders, would demonstrate to Fund staff continuous efforts to improve DRS processes, and therefore may contribute to increased staff confidence in the adequate functioning of DRS processes.

ANNEX I: ISR ACTION TRACKER – COMPLETED ACTIONS¹⁶

No	IP Reference	Recommendation	Owner ¹⁷	Implementation Update	Status	OIA Assessment (March 2024)
1	DAI 1A	Clarify the terms of engagement of OED with staff in staff's conduct of analysis.	SEC LEG SPR	Joint note - clarifying the terms of engagement of OED with staff in staff's conduct of analysis—was issued in June 2023. The note incorporates guidance applicable to staff and the guidance applicable to OEDs, with the staff guidance issued by Management and the relevant sections applicable to OEDs concurrently approved by the Executive Board.	Completed	Completed
2	DAI 2	Clarify the role of management in the clearance of staff papers and positions.	LEG SPR OMD	Guidelines were issued in February 2023—which clarify that Management's role requires taking decisions on the basis of staff analysis and advice, while recognizing that Management has the prerogative to provide guidance on staff's work and to exercise judgment on strategic issues within the framework of the Articles of Agreement and Board-approved policies.	Completed	Completed
3	DAI 3	Complete ongoing work to help ensure evenhanded coverage of emerging areas in surveillance	SPR	Interim guidance note, issued to staff in April 2023, provides the latest operational guidance on these specific areas, consistent with the respective Board-approved strategies.	Completed	Completed
4	DAI 4A	Further strengthen the transparency and documentation of internal review process.	SPR	Guidance has been issued that expands the perimeter of documents that use the e-Review system for interdepartmental review and Management clearance.	Completed	Completed. Part of the Guidance Note will only apply post CRS implementation to certain documents.

¹⁶ As reported by staff of the ISR Implementation Core Group in the December 2023 update unless indicated otherwise.

¹⁷ Based on information provided by staff in the FY 2022 and FY 2023 updates and modified by OIA as needed.

No	IP Reference	Recommendation	Owner ¹⁷	Implementation Update	Status	OIA Assessment (March 2024)
5	EP 2	Review framework for publication of summary financial interests of Fund Management.	ETO LEG OMD Board's Ethics Committee	The framework for the publication of summary financial statements and interests of the Managing Director and the Deputy Managing Directors has been finalized. The first summary statements will be published on the Fund's external website by the close of CY 2023.	Substantially completed; summary statements to be published in Q4 of CY 2023	Completed
6	EP 3A	Enable OED access to informal DRS mechanisms.	LEG MDT OMB SEC Board's CAM	The Executive Board, approved in June 2023, a proposal to grant all OED personnel access to the Ombuds and Mediation offices on the same basis as Fund staff—this enables OED personnel to seek guidance and support in navigating difficult workplace situations in a voluntary, informal, and confidential setting.	Completed	Completed
7	EP 8(iii)	Update Retaliation Policy to require investigation of misconduct where it is concluded that retaliation has occurred.	OII	Necessary updates to Retaliation Policy incorporated in Staff Handbook updates and published in June 2023.	Completed	Completed
8	EP 8(iv)(A)	Update Retaliation Policy to provide for advice and early informal resolution for those who fear retaliation.	OII	Necessary updates to Retaliation Policy incorporated in Staff Handbook updates and published in June 2023.	Completed	Completed
9	EP8 (iv)(B)	Conduct awareness-raising event to share information with	COM DRS	A number of events have been regularly conducted to raise awareness. These include: (i) DRS Open	Completed	Completed

No	IP Reference	Recommendation	Owner ¹⁷	Implementation Update	Status	OIA Assessment (March 2024)
		all staff on the various DRS Offices, the Ethics Office, and OII and mechanisms available to them, including to protect against retaliation		House/awareness-raising event held in December 2022; (ii) "Meet your Ombudsperson"; "Ask me Anything with the Ethics Office" (on staff responsibilities as International Civil Servants"; (iii) "Insider" video with the Head of Office of Internal Investigation (OII); (iv) Mandatory Ethics Course for Fund staff including in-person sessions for Departments and training sessions for Heads of Department; (v) SAC-convened DRS Townhall in November 2023 covered the roles/mandates of the DRS, Ethics, and Investigation Offices and used a case study to demonstrate in a practical way how these Offices could be leveraged by staff.		
10	EP 8(iv)(C)	Conduct formal Townhall with DRS office Heads, Ethics Office, OII, as well as with SAC on Activities/Annual Reports of DRS Offices.	COM DRS	DRS/ISR townhall (under the auspices of SAC) delivered in November 2023.	Completed.	Completed
11	EP 8(v)(A)	Update Retaliation Policy to include affirmative supervisory responsibility to report misconduct.	OII	Necessary updates to Retaliation Policy incorporated in Staff Handbook updates and published in June 2023.	Completed	Completed
12	EP 8(vi)	Update Retaliation Policy for OII to create a positive obligation on the Internal Investigator to consider the implementation of interim measures in all cases involving allegations of retaliation and to formally document their conclusion.	OII	Necessary updates to Retaliation Policy incorporated in Staff Handbook updates and published in June 2023.	Completed	Completed
13	EP	Staff Engagement Survey (SES)	HRD	SES sent out to staff included relevant questions and	Completed	Completed

PROGRESS ASSESSMENT OF THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE ISR

No	IP Reference	Recommendation	Owner ¹⁷	Implementation Update	Status	OIA Assessment (March 2024)
	8(viii)(A)	to include questions on trust, speak-up culture, and retaliation and to set a baseline.		will serve to establish a baseline which will provide the basis for comparison in follow-up surveys.		
14	EP 8(viii)(B)	Follow-up Pulse Surveys to the SES to measure progress on these issues.	HRD	Follow-up surveys on specific aspects to be administered after two years of the SES.	Action Not Due. End CY 2024.	Completed in FY 2025.
15	EP 8(ix)	Amend TORs of Mediator and Ombudsperson to explicitly consider allegations of undue influence.	LEG	ToRs of Ombuds and Mediation Office have been amended – to explicitly consider allegations of undue influence - and were approved by Management in July 2023.	Completed	Completed
16	EP 9A(i)	Share with staff high-level information about the number and nature of matters considered by Ethics Committee at the end of each Committee's Term.	Board's Ethics Committee	First Summary Report issued in CY 22 Q4. Report to be issued at the end of each Ethics Committee's term going forward.	Completed.	Completed
17	EP 9B	Resume Publication of Information on Administrative and Grievance Committee Process.	GC	Grievance Committee Annual Reports (for 2022, 2021 and 2020) published; Publication of redacted copies of GC recommendations has also been completed. Annual Reports for Admin Reviews published for 2019/2020/2021/2022.	Completed	Completed
18	EP 10B	The Fund should create a Tool-Kit for Self-Represented employees on the DRS webpage which sets out all aspects of the role of each DRS office, including applicable timelines (both as stated in the rules as well as in practice),	HRD	This work is not deemed to be a priority, especially given the planned work to engage a Staff Legal Counsel (EP35) who would develop guidance materials to assist staff, as part of their Terms of Reference.	No further action is envisaged.	Completed

No	IP Reference	Recommendation	Owner ¹⁷	Implementation Update	Status	OIA Assessment (March 2024)
		percentage distribution of outcomes in each DRS office/process for the past two years, and detailed guidance to prepare staff for each step of the formal dispute resolution process.				
19	EP 10C	Each relevant office or process (including Administrative Review, OII, Grievance Committee, and the Administrative Tribunal) should post a real-time case “tracker” on a secure intranet page which allows the staff members concerned to log in, monitor the progress and to view the status update of their case.	ITD	It has been determined that there is no need for an expansive technology solution or real-time case-tracker. Given work already completed (dissemination of Annual Reports and greater access to the work of the DRS, Ethics, and Investigation Offices and Administrative Review online submission portal) and work that is planned (streamlining processes for Administrative Review and Grievance Committee), there is general consensus that the need for additional case management or technology solutions is not a priority and that the Offices can continue to leverage their existing internal tracking mechanisms and tools.	No further action is envisaged.	Completed
20	EP 10D	An intranet page for the DRS should also show the nature of individual complaints filed by staff over the past two to five years, the actual timeline required for the disposition of the matter or inquiry, whether the allegation was substantiated in whole or part, the recommended consequence or decision when the allegation or concern was	LEG, DRS, HRD and COM	As indicated in the original IP, information on the nature of cases and their outcomes is already made available on the respective intranet pages of the DRS offices. An efficient approach to such a page could be for it to draw upon the non-confidential information contained in the respective internal tracking mechanisms of the DRS, Ethics, and Investigation offices and reports of the DRS Offices.	No further action is envisaged.	Completed. No additional work is envisaged given budgetary constraints and information already available on the intranet.

No	IP Reference	Recommendation	Owner ¹⁷	Implementation Update	Status	OIA Assessment (March 2024)
		substantiated, and the action or decision taken with a reasoned explanation for why the recommendation was not followed if the Managing Director chooses not to follow the recommendation made by the relevant office. This data already exists and was reviewed by the Panel. Sharing it will improve transparency, trust, and accountability.				
21	EP 11	The Fund should implement the changes made to the DRS employment framework in early 2021 to allow DRS leaders and employees to elect to be converted to staff positions with full benefits for the remainder of their terms of employment.	DRS HRD	The Executive Board, in June 2023, approved changes to the DRS Employment Framework—to bring the Fund’s employment framework for these specialized roles into closer alignment with the majority of comparator IFI organizations.	Completed	Completed
22	EP 12	OII should not require authorization from Management or HRD before investigating cases.	OII	Necessary changes incorporated in Staff Handbook Updates published in end-June 2023.	Completed	Completed
23	EP 13	Investigations of allegations of misconduct should be centralized and conducted by OII only—not by the Departments within the Fund.	OII	OII is now established as the centralized entry point for any misconduct allegation and necessary changes have been incorporated in the Staff Handbook.	Completed	Completed

No	IP Reference	Recommendation	Owner ¹⁷	Implementation Update	Status	OIA Assessment (March 2024)
24	EP 14A	Convene joint meetings between DRS & Ethics and Integrity Offices to discuss Annual Reports with Management and Board.	ETO	A joint meeting—between Management and the DRS, Ethics, and Investigation Offices—was held in June 2023 to discuss the Annual Reports of these Offices and the main themes from their work.	Completed	Completed
25	EP 14B	Brief the board annually on the activities of DRS offices.	ETO	Management-led Board briefing held in June 2023 to engage in a continued dialogue with the Executive Directors, including the need to ensure follow-up to identify systemic issues and cross-cutting trends from the work of these Offices.	Completed	Completed
26	EP 15A	To enhance OIA’s independence, introduce an additional step whereby the EAC would approve OIA’s Program of Work.	OIA	OIA’s Charter has been amended to require the External Audit Committee (EAC) to approve OIA’s annual Program of Work. This change has been implemented with the EAC formally approving OIA’s FY 2024 Program of Work.	Completed	Completed
27	EP 16B	The Fund should evaluate how to solve OIA’s capacity constraints.	OIA	OIA has secured increases in its structural budget envelope for FY 2023 and additional transition resources for FY 2024. The annual budget cycle and accountability framework discussions will remain the forum for evaluating OIA’s adequacy of resources on an ongoing basis. The Director of OIA can also flag issues relating to the adequacy of OIA’s resources to the External Audit Committee, if needed, after exhausting internal procedures.	Completed	Completed
28	EP 22	Hold an internal Executive Board meeting, using external facilitators or the Fund’s Ombudsperson or Mediator, to discuss ways in which the Executive Board can visibly and verbally support efforts to	Board’s Ethics Committee	This is being addressed through the initiative to share greater information about the work of the Ethics Committee which will in turn increase transparency (See EP 9).	Completed	Completed

No	IP Reference	Recommendation	Owner ¹⁷	Implementation Update	Status	OIA Assessment (March 2024)
		increase transparency in matters related to ethics matters at the Executive Board and MD levels.				
29	EP 25	Staff who work as peer reviewers/witnesses/GC members to record contributions in APR and to receive positive acknowledgement.	HRD	Briefing notes and annual guidance materials for the 2023 APR cycle were suitably updated. SHRPs further reinforced this message in their outreach and presentations to Departments as part of the FY 2023 ATME process. This will be a continuing effort as part of the annual APR/ATME cycle.	Completed	Completed
30	EP 30	A cultural change workstream will undertake an inventory of past and ongoing initiatives and resources in the area of management and behavior change. In addition, this team, with the targeted support from a consultant will conduct focus groups and interviews to define the Fund's current culture, its drivers, including the root causes of lack of trust and fear of retaliation, and to align on a concrete shared articulation of future state culture. The team will then identify behavior changes needed to move from the current to the future state culture. This analysis will be conducted from CY 2022 Q4 to CY 2023 Q4. On the basis of this analysis, the workstream will	COM D&I HRD	An Organizational Culture Change (OCC) Task Team, comprised of staff from HRD, OIC, the Ethics Office, and the SAC started its work in February 2023 by conducting an inventory of existing and past initiatives as well as policies, procedures, and practices which can contribute to organizational culture change. Focus group sessions with staff have been completed in June/July 2023 to gain deeper insights into the behavioral patterns and drivers that contribute to staff's lack of trust and fear of retaliation. The results from the focus group sessions are well aligned with the thrust of the ISR recommendations and the various in-train IP actions and initiatives and will inform ongoing efforts and additional actions to support durable culture change. A draft proposal is under review and a formal proposal to Management is expected to be tabled in December 2023, and considered as part of the FY 2025 budget discussions.	On track for completion	Completed. Management approved staff proposal for an action plan in January 2024.

No	IP Reference	Recommendation	Owner ¹⁷	Implementation Update	Status	OIA Assessment (March 2024)
		develop a proposal to modify and strengthen existing programs to better support a cultural shift, and any resource implications should be assessed in time for the regular budget process ahead of FY 2025.				
31	EP 32	Establish Employee Relations Unit within HRD to enhance adherence to timelines and early dispute resolution.	HRD	A draft proposal has been formulated, informed by an extensive benchmarking of related practices in comparator organizations. The draft proposal is under consultation with stakeholders expected to be finalized and submitted to Management in Q1 of CY 2024 and considered as part of the FY 2025 budget discussions.	Delayed. Revised target date- Q1 of CY 2024.	Completed. Management approved on December 20, 2023, staff proposal to augment the staffing of HRD’s Employment Practices (EP) unit, and other measures, to allow for more timely processing of both administrative review and early dispute resolution cases. Phasing of budget increase will be further discussed with OBP. Management rejected the initial recommendation for two separate units as the latter would lead to inefficiencies and added costs.
32	EP 34	The Fund should provide a transparent learning process regarding the Administrative Tribunal (AT) cases. LEG’s existing practice is to send a memorandum to management reporting on all Administrative	LEG	The annual memorandum to Memorandum reporting on all Administrative Tribunal decisions, was issued to Management in July 2023—which also included a “Lessons Learned” section, in the context of the ISR recommendations. This will continue to be issued on an annual basis going forward.	Completed.	Completed

No	IP Reference	Recommendation	Owner ¹⁷	Implementation Update	Status	OIA Assessment (March 2024)
		Tribunal decisions, including their implications and root causes. Going forward, LEG will include a specific Lessons Learned section in this memorandum. The annual management statement, in the context of the DRS report and engagement with the Board, will also reflect on lessons learned.				
33	EP 38	The process of allocating resources to the DRS offices would benefit from a thorough, objective, and transparent evaluation of resources needed to ensure that they can meet timelines and procedural requirements.	DRS HRD	A comprehensive workforce planning exercise (for FY 2024) has been completed for the DRS, Ethics, and Investigation Offices. The DRS, Ethics, and Investigation Offices collectively received the largest structural percentage increase in the Fund (24.6 percent) for FY 2024 budget allocations and about 47 percent after including transitional funds. This builds on an overall 30 percent increase in DRS resourcing allocated to the Offices in FY 2023 with an overall upward shift in resources since FY 2022 of about 80 percent.	Completed	Completed
34	EP 40	Create a form for filing requests for administrative review and include a section asking specifically for a description of the measures the complainant would like HR to take.	HRD	HRD has rolled out the completion of a standardized online Administrative Review Intake Form as well as an Exit Questionnaire.	Completed	Completed

ANNEX II: ISR ACTION TRACKER-IP ACTIONS WITH ONGOING STATUS COMPLETED IN DESIGN¹⁸

No	IP Reference	Recommendation	Owner ¹⁹	Implementation Update	Status	OIA Assessment (March 2024)
1	EP 7	Unethical conduct should be penalized consistently, and the sanctions imposed for such conduct should be communicated to staff (for instance through regular anonymized reporting on cases of unethical conduct and the consequences for the wrongdoer).	OII	<p>HRD and LEG, as Management’s advisors in the review of disciplinary cases and determination of sanctions to be imposed, regularly liaise to ensure that penalties imposed on staff and contractual employees are consistent and continue to do so.</p> <p>OII Annual Reports for 2021 and 2022—issued in May 2023—included additional information about cases that have been investigated by OII, to provide more substantive summaries of cases the Office has addressed as well as their outcomes—balanced to ensure the appropriate levels of confidentiality regarding personnel matters.</p>	Ongoing	Completed. OII’s Annual Report is published. Content has been expanded to give more information on the nature of individual cases investigated allowing readers to better understand the context, severity of allegations, and sanctions taken. The expanded OII Annual Report is intended to be published annually on an ongoing basis.
2	EP 8(ii)	Where the Independent Review process concludes that retaliation has occurred, the fact that an employee’s actions were determined to be retaliatory should be considered in their performance evaluations, with appropriate consequences attached.	OII	The decision as to whether a failure of an employee—to appropriately document his/her decision or meet the obligations conferred by the Retaliation policy but acted in good faith—is made by the Responsible Official considering the OII Investigation Report (i.e., the Director, HRD for A-level staff, the MD, or her delegate for B-level staff).	Ongoing	Completed. Updates to the Staff Handbook address the recommendation in design. The assessment process will be implemented on a continuous basis.

¹⁸ As reported by staff of the ISR Implementation Core Group in the December 2023 update unless indicated otherwise.

¹⁹ Based on information provided by staff in the FY 2022 and FY 2023 updates and modified by OIA as needed.

No	IP Reference	Recommendation	Owner ¹⁹	Implementation Update	Status	OIA Assessment (March 2024)
3	EP 8(iv)(D)	Continue ongoing communications and outreach initiatives.	COM	As also outlined in the Action Items #13 and 18 above, this is an ongoing effort. A Fund-wide Townhall was ISR held in February 2023 and a Fund-all communication on ISR progress was issued to staff in July. The ISR page has been updated with relevant resources and recent documents and has been disseminated as part of the FUNDALL message. The IP "Action Tracker" is also available on the ISR page, for Fund-wide access.	Ongoing	Completed. Various communications actions during CY 2023 address the recommendation. Communications initiatives are intended to be carried out periodically.
4	EP 9A(ii)	Require systematic training on Board Code of Conduct for new OED Staff at the beginning of each term and on an annual basis.	Board's Ethics Committee	A regular schedule of ethics training has been introduced for all OED personnel, with the first session delivered in Q1 of CY 2023.	Ongoing	Completed. Training was first delivered in CY 2023. Training is intended to be conducted annually on an ongoing basis.
5	EP 10A	All DRS Information to be updated centrally on DRS Intranet Page.	COM	The DRS webpage continues to be updated on an ongoing basis with recent updates and information notices.	Ongoing	Completed. A comprehensive DRS intranet page was created in CY 2023. The page is updated periodically on an ongoing basis.
6	EP 16C	The Fund should better monitor timely implementation of OIA's and IEO's recommendations	OIA	OIA completed its triage exercise to help departments gain an accurate view of their open audit issues, and to further facilitate departments' risk mitigation efforts. With regard to monitoring and reporting of IEO recommendations, the implementation status is routinely validated and reported by OIA through its Periodic Monitoring Reports (PMRs). OIA's Thirteenth PMR is scheduled to be discussed by the Board in November 2023.	Ongoing	Completed. IEO and OIA's recommendations are sufficiently monitored on a periodic basis to ensure prompt implementation and to discuss delays. Updates are provided to the Board. PMR reports are published. The monitoring process is implemented on a continuous basis.

No	IP Reference	Recommendation	Owner ¹⁹	Implementation Update	Status	OIA Assessment (March 2024)
7	EP 18	Impose appropriate and consistent sanctions for substantiated misconduct.	HRD LEG OII	The implementation of this action is covered by the response to EP 7—OII Annual Reports now provide more substantive summaries of cases the Office has addressed as well as their outcomes.	Ongoing	Completed. See update for EP 7. HRD and LEG will continue to coordinate to discuss consistency of sanctions.
8	EP 19B	Quiet changes and support for the DRS will not build support as effectively as visible, transparent, decisive action taken against those who have acted improperly	HRD LEG OII	This has been addressed through the actions to address EP 7 (through regular anonymized reporting in cases of unethical conduct and consequences for the wrongdoer).	Ongoing	Completed. See update for EP 7 and EP 18.
9	EP 24B	Employees at any level who use and prevail in the DRS process (e.g., Peer Review, Administrative Tribunal, etc.) should receive support from HRD to ensure their careers are not negatively impacted by their use of the DRS. Periodic (e.g., every three years), and transparently published review should be undertaken to assess the extent to which HRD and LEG are protecting and supporting employees who use and prevail through the DRS.	HRD OII	Existing policy provides protection. All employees who use the DRS are protected by the IMF's Retaliation Policy whether or not they prevail in their claim. Any employee who believes that a career decision has been influenced by their use of the DRS may engage DRS services (including reporting this to OII for inquiry and/or investigation) and if retaliation is established, remedial action will be taken.	Ongoing	Completed. Staff Handbook policy and outreach initiatives to staff conducted in CY 2023 address the recommendation. Outreach efforts and remedial actions are intended to be implemented on a continuous basis.
10	EP 26	The Fund should reduce litigiousness by creating accountability measures for HRD and LEG and managers for use in performance reviews and promotion decisions. Missed timelines should be reflected on	HRD	As noted in the IP, when individual staff members do not meet deadlines for work deliverables, and when this reflects individual performance deficiencies (rather than, e.g., resource constraints outside of the individual's responsibility, or unanticipated challenges such as exceptionally high workload or sick leave), this is reflected in performance reviews, which are in turn	Ongoing	Completed. Existing policies and documentation evidence completion. Procedures are intended to be implemented on a continuous basis.

No	IP Reference	Recommendation	Owner ¹⁹	Implementation Update	Status	OIA Assessment (March 2024)
		individual performance reviews of the responsible parties.		considered in promotion decisions.		
11	EP 31	The Ethics Office (ETO) and the Office of Mediation will work on further strengthening their training offering to prepare Peers for Respectful Workplace Advisors (PRWs) to effectively raise Ethics awareness and empower them to raise systemic ethics-specific concerns in their department with the Ethics Advisor.	ETO MDT	Several relevant training modules have been launched and completed in CY 2023. The Mediation Office and Ethics Advisor will work on further strengthening the training provided to the Peers for a Respectful Workplace (PRW) volunteers and representatives.	Ongoing	Completed. Training modules were first delivered in CY 2023. Training is intended to be conducted annually on an ongoing basis.

ANNEX III: ISR ACTION TRACKER-IMPLEMENTATION IN PROGRESS IN ACCORDANCE WITH PLAN²⁰

No	IP Reference	Recommendation	Owner ²¹	Implementation Update	Status/Timeline	OIA Assessment and Comments (March 2024)
1	DAI 4B	Assess adaption of review process after the roll-out of the Common Review System (CRS) as part of the Integrated Digital Workplace (IDW) Program.	OIA SPR	Work has commenced on designing and implementing a common review system as a key response to the call for better documentation and transparency of the review process. OIA is concluding a benchmarking exercise of the Fund’s review process that will inform the implementation approach of the CRS.	Action not due. After rollout of IDW.	In progress. Benchmarking exercise was concluded by OIA in December 2023. iDW/CRS rollout is scheduled on or around July 2025. An independent assessment of the adaptation of the review process would then take place after rollout, tentatively scheduled for FY 2026/27. New categories of documents will be added to the review process in CRS (also see DAI 4A).
2	EP 3B	Enable OED Access to Formal DRS	Board’s CAM LEG SEC	The Board’s Committee on Administrative Matters (CAM) to consider the broader issue of access to formal dispute resolution system at a later time based on the experiences gained from granting OED personnel access to the informal dispute resolution offices.	Action not due. Revisit end-CY 2024.	In progress.

²⁰ As reported by staff of the ISR Implementation Core Group in the December 2023 update unless indicated otherwise.

²¹ Based on information provided by staff in the FY 2022 and FY 2023 updates and modified by OIA as needed.

No	IP Reference	Recommendation	Owner ²¹	Implementation Update	Status/ Timeline	OIA Assessment and Comments (March 2024)
3	EP 6	Management and the Board should lead culture change efforts across the Fund with strong, visible messaging backed by action.	COM HRD D&I DRS	A townhall was held in February 2023, with Management delivering opening remarks; the townhall provided an update on IP progress and emphasized the importance of the various in-progress IP actions to support durable culture change in the institution. A FUNDALL update by Management on ISR Progress was provided in June 2023, followed by the convening of a SAC-facilitated DRS Townhall in November 2023 which also included progress updates on ISR implementation.	Ongoing. From CY 2022 Q4 onwards	In progress. A series of communications on different topics via various modalities will take place in FY 2025 (email, outreach, townhall, etc.). The communication plan is being developed by D&I in collaboration with COM (target date: on or around March 2024). D&I will provide the plan when available. Linkage to EP 27.
4	EP 8(v)(B)	Identify and adjust Management training programs (for Managers/Supervisors on how to avoid behaviors that could amount to retaliation).	D&I	This action is being addressed by the workstream on culture change (EP 30).	On track for completion. CY 2023 Q4.	In progress. D&I Office will conduct focus groups regularly (“Speak Up” – staff voice) and interviews – a joint effort between Ethics Office and D&I Office. Linkage with EP 30.
5	EP 16A	The Fund should strengthen the implementation of the “3 Lines” Model by addressing the shortcomings described in the OIA Audit Report of the Fund’s Enterprise Risk Management (ERM) Framework published in 2021.	OIA ORM	Key building blocks to support ERM operationalization have been put in place with the Board approval of the ERM Policy in December 2022 and the Risk Tolerance (RT) framework in March 2023. ORM has also made commendable progress in actioning the 2021 audit recommendations with a majority of the actions validated and closed by OIA.	On track for completion CY 2024 Q1/Q2.	In progress. Most recommendations from the FY 2021 ERM audit have been completed. OIA actively discusses with ORM implementation of six remaining recommendations by end CY 2024. Three other recommendations of the OIA report rely on IEO’s and OIA’s follow up evaluation and audits, to be completed between end CY 2024-2027.

No	IP Reference	Recommendation	Owner ²¹	Implementation Update	Status/ Timeline	OIA Assessment and Comments (March 2024)
6	EP 19A	There should be visible, strategic, and frequent communication of the Managing Director’s stance against retaliation, and visible action should be taken when an allegation of retaliation is substantiated.	OMD COM HRD OII	This is an ongoing effort and the messaging with regard to the institutional stance against retaliation will continue to be stressed by the members of the Fund Management team and backed by actions.	Ongoing	In progress. This action has been assigned to OMD. Staff responsibilities and modalities for assisting OMD in implementing the action plan would need to be clarified as necessary (see Section II.F).
7	EP 20	With the help of the Office of Innovation and Change, the Ethics Office and the Ombudsperson, the Managing Director should host roundtable discussions designed to generate buy-in and build shared expectations about how common workplace challenges, such as issues of data analysis and integrity, bullying or retaliation, will be managed. The information gathered through this process should inform the adoption of new policies as needed	OMD Other Depts	As outlined in the IP, “Tone from the top” is crucial here. The Managing Director and Deputy Managing Directors will continue to signal their strong support for culture change using various channels throughout the year, including in messages to staff, at townhalls and in meetings with staff.	Ongoing	In progress. See comments for EP 19A.
8	EP 27	Supervisors should engage in collaborative problem-solving and dialogue on difficult issues such as data analysis and integrity and should discuss difficult topics on an ongoing basis with the goal of building	D&I	This is being addressed through Departmental initiatives in response to the 2021 D&I Survey (e.g. facilitated discussions) to encourage managers to develop behaviors in line with the IMF’s competency framework and Core Values.	Ongoing	In progress. A plan is being implemented by D&I to address recommendations, EP 27-30. For example, training on whistleblower policy; and Peers for a Respectful Workplace (PRW) training; external facilitators were hired to conduct micro-equity training, additional sessions

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		shared expectations to avoid and manage conflicts productively.		This is also being tackled by the work stream on Organizational Culture Change (OCC) in response to EP 30 (to undertake stock take of programs to determine how to strengthen support to supervisors and managers).		to be done in FY 2025; an updated D&I module will be launched.
9	EP 28	Employees should also not wait to be rescued from above and should initiate or request collaborative conversations around organizational culture in the team.	D&I	Same as EP 27	Ongoing	In progress. See comments for EP 27.
10	EP 29	Employees should ask for help, be willing to help, and should be bold in asking for help, from HRD, the Mediator, and the Ombudsperson. If these efforts fail, employees should be willing to give the DRS a try rather than allow problems to go unresolved. Employees should volunteer to participate in the DRS by serving as an Ethics Ambassador, Peers for a Respectful Workplace, and other functions.	D&I	This is being addressed through a "Giving Voice to Values" campaign and other communication and outreach efforts as part of the workstream on Organizational Culture Change (OCC) in response to EP 30.	Ongoing	In progress.
11	EP 36	The first step of the Administrative Review process should be mandatory for	HRD	This work is planned to be initiated in the second half of CY 2024. The recommendation that the first step of	Action Not Due. CY 2024 Q4.	In progress.

No	IP Reference	Recommendation	Owner 21	Implementation Update	Status/ Timeline	OIA Assessment and Comments (March 2024)
		benefits disputes, but optional for all other types of Administrative Review matters.		Administrative Review should be optional in other cases will be further considered in connection with EP. Rec No. 32 and 37. A Task Team, comprising HRD, LEG and SAC, will prepare a proposal for management approval whereby it is anticipated that the first step of Administrative Review will be optional for all matters other than those involving performance appraisal.		
12	EP 37	Short, enforced timelines should be put in place for administrative review cases, as well as preliminary assessments and substantive investigations, with consequences to the Fund or its officials for missed timelines.	HRD	This recommendation is planned to be actioned through preparation of a proposal by the Task Team, comprising HRD, LEG, OII and SAC, that will also prepare a proposal in response to Recommendation 32. The proposal will incorporate benchmarking against other organizations to complement the Review's more general observations in this regard, and to ensure that the importance of prompt resolution of disputes is balanced against possible unintended consequences of short timelines. The Task Team will also consider new rules related to consequences for missed timelines. The work will be initiated in the second half of CY 2024.	Action Not Due. CY 2024 Q4.	In progress. Linkage to EP 36.
13	EP 42	All employees of the Fund (including contractual	LEG	This work is planned to be deferred and initiated in the latter part of CY	Action Not Due. CY	In progress.

No	IP Reference	Recommendation	Owner 21	Implementation Update	Status/ Timeline	OIA Assessment and Comments (March 2024)
		<p>employees) should enjoy the same access to all the DRS and related offices, including the Grievance Committee and the Administrative Tribunal. It is proposed that a WGs, led by a senior staff member designated by management, composed of representatives from HRD, LEG and SAC, including the Ombudsperson, would develop proposals for any amendments to the dispute resolution procedures applicable to contractual employees.</p>		<p>2024 and will be informed by the lessons learned from the GC streamlining work.</p>	<p>2024 Q4.</p>	

ANNEX IV: ISR ACTION TRACKER-DELAYED ACTIONS²²

No	IP Reference	Recommendation	Owner ²³	Implementation Update	Timeline	Status	OIA Assessment (March 2024)
1	DAI 1B	Explore effective mechanisms to raise concerns by staff about undue influence.	LEG SEC SPR Board	Finalization of this work has been deliberately deferred to follow the work on Recommendation #1a (clarifying the terms of engagement between OED and staff) and to permit the amendments of the Terms of Reference for the Ombudsperson and the Office of Mediation to be completed first. The proposal is expected to be finalized in Q3 of CY 2024.	CY 2023 Q1/Q2	Delayed. Revised target date—Q3 of CY 2024	Delayed.
2	EP 1A	Ethics Committee (and the Board) to complete a full review of the Board’s Code of Conduct.	Board’s Ethics Committee ETO LEG	Following extensive benchmarking and consultations, a comprehensive report of the review of the Board Code of Conduct and the Managing Director’s ethical framework is near finalization which will provide the basis for further discussions with the Ethics Committee. Following engagement with the Ethics Committee, recommendations will be tabled for Board consideration	CY 2023 Q2/Q3	Delayed. Revised target date -Q1/Q2 of CY 2024	Delayed.

²² As reported by staff of the ISR Implementation Core Group in the December 2023 update unless indicated otherwise.

²³ Based on information provided by staff in the FY 2022 and FY 2023 updates and modified by OIA as needed.

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				and approval. Given the complexity and scope of the review, it is expected that final proposals will be tabled for Board consideration in the first half of CY 2024.			
3	EP 1B	Ethics Committee (and the Board) to review the ethical framework applicable to the Managing Director.	Board's Ethics Committee ETO LEG	See No. 7 above; the review of the ethical framework applicable to the Managing Director is combined with the review of the Board Code of Conduct and follows the same timeline.	CY 2023 Q2/Q3	Delayed. Revised target date – Q1/Q2 of CY 2024.	Delayed.
4	EP 5	In cases involving the conduct of the Managing Director, or in other cases in which a potential conflict of interest may arise, the Secretariat of the Ethics Committee should be an external lawyer, rather than staff of the Fund.	Board's Ethics Committee	Considering that the Board has endorsed a full review of the Board's Code of Conduct under the leadership of the Board's Ethics Committee, it is proposed that this question be further considered in that context and informed by the results of that broader review.	Revisit after review of Board's Code of Conduct	Action not due.	Reclassified by OIA from in progress to delayed as implementation is linked to EP 1A.
5	EP 8(iv)(E)	Develop stand-alone Whistleblower Policy.	OII	Work is advanced and a preliminary draft of the Policy, informed by benchmarking of practices in comparator organizations, is being discussed with relevant stakeholders. The proposal - which is expected to be finalized in Q1/Q2 of CY 2024— will define relevant terms, delineate specific responsibilities of institutional actors, and codify the protections afforded to whistleblowers and the	CY 2023 Q4	Delayed given the need for extensive stakeholder consultations and also due to impending leadership transition in OII. Revised target date- Q1/Q2 of CY 2024.	Delayed.

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				circumstances under which such protections will be provided.			
6	EP8(vii)	Extend the period for access to Independent Review (IR) to three years.	OII	Being considered as part of the work on developing a Whistleblower Policy.	CY 2023 Q4	Delayed given the delay in the workstream for finalization of Whistleblower Policy Revised target date- Q1/Q2 of CY 2024.	Delayed.
7	EP17	The Fund should initiate efforts to streamline and improve the Grievance Committee process	LEG	The implementation of this action is also linked to actions to address EP 39 to make the Grievance Committee (GC) process more efficient and less formal. Please see updates on EP 39.	CY 2023 Q4	On track for completion.	Delayed. Linkage to EP 39.
8	EP21	The Fund's mission and work will occasionally give rise to concerns about the impact of political pressure on data integrity and analysis. To increase trust in the Fund, both internally from staff and externally from the public, it is critical that the Executive Board support efforts to create greater internal consensus and more detailed policies that are used to resolve these concerns when they arise. This report recommends that the Ethics Officer and Ombudsperson	Board	This is being addressed through the work undertaken by the Steering Group and the Board to clarify the terms of engagement between staff and the Board, in order to share the best practice and protect against undue influence (DAI 1) and through the comprehensive review of the Board Code of Conduct (EP1) which is expected to be finalized in Q1 of CY 2024.	CY 2023 Q1/Q2	Partially completed. Review of Board Code of Conduct planned to be completed in Q1 of CY 2024.	Delayed.

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		engage in roundtable dialogues on these matters. Executive Board members should be active participants in these conversations, then support the resulting policies and norms. Doing so will increase the perception that the Executive Board and staff at all levels are able to constructively work together as a team and reduce potential perceptions of unproductive divisions between staff and Fund leaders.					
9	EP 23	Hold each other accountable to the highest ethical standards, including the expectation that all employees will be treated respectfully and professionally. While formal power over other Executive Board members may be limited, the Executive Board has deep reserves of informal influence which it can harness to hold each other accountable.	Board	The comprehensive review of the Board Code of Conduct provides an opportunity for the Board to make progress on this recommendation (See EP 1.)	Ongoing	Planned for completion in Q1 of CY 2024	Delayed.
10	EP 24A	Complainants should not be required to be re-assigned or to take a different position if they do not desire that action.	OII	With respect to issues impacting potential victims or complainants in cases where investigation is pending, interim protective	Ongoing		Partially delayed. Pending completion of whistleblower policy per EP 8(iv)(E).

No	IP Reference	Recommendation	Owner ²³	Implementation Update	Timeline	Status	OIA Assessment (March 2024)
		Instead, if allegations of harassment, retaliation, discrimination, or other bad behaviors are substantiated, the alleged perpetrator, rather than the complainant, should bear the weight of any inconvenience or negative career impacts.		measures are being implemented and policy for retaliation process strengthened—see EP 8 (vi). The work on developing a whistleblower policy—see EP 8(iv)—will also serve to codify the protections for whistleblowers, including that they should not be required to be reassigned.		Completed Planned for completion in Q2 of CY 2024.	
11	EP 35	Develop a proposal for the establishment of a Staff Legal Counsel (SLC) function.	LEG	The work on defining the design and scope of a Staff Legal Counsel (SLC) function in the Fund will also hinge to a considerable extent on the outputs of the Grievance Committee (GC) streamlining workstream and is deliberately deferred to start in Q1 of CY 2024.	CY 2023 Q4	Delayed - with a view to leverage the outcomes of the GC streamlining that is underway. Draft proposals expected to be developed by Q2 of CY 2024.	Delayed.
12	EP 39	The Fund should re-brand and re-cast the current Grievance Committee placing greater emphasis on equity and being a less judicialized process. This will reduce the length of time taken before a recommendation reaches Management for a decision. A Task Team, composed of the	LEG	Benchmarking with comparator organizations has been completed. Possible approaches to redesign the GC process are being explored in terms of relative merits and implications of each of the options. A draft memorandum summarizing the options under consideration was circulated to Management in November 2023. It is expected that	CY 2023 Q4	Delayed given the need for extensive stakeholder consultations. Revised target date – Q2 of CY 2024.	Delayed.

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		Grievance Committee Chair, and representatives of HRD, LEG and SAC will review the practice of comparator organizations with a view to determining whether to recommend any changes to the design of the system.		the proposal will be finalized in Q2 of CY 2024.			
13	EP 41	The Fund should devote greater efforts to offer a comparable position within the organization to an employee whose employment was wrongfully terminated. A Task Team, comprising HRD, LEG, and SAC, will prepare a proposal for management approval. The Task Team will consider a new Staff Handbook rule setting out a formal decision-making protocol for consideration of reinstatement in cases involving the end of employment	HRD LEG OII	This work is being deferred (given competing priorities) and is planned to be initiated in CY 2024.	CY 2023 Q4	Delayed. Revised target date – Q3 of CY 2024.	Delayed.