FROM THE EXECUTIVE OFFICE

CF/EXD/IC/2012-004
22 May 2012

FOR INFORMATION

To:    Global Management Team
       Directors of Tokyo and Brussels Offices
       Representatives and Deputy Representatives

From:  Anthony Lake
       Executive Director

Subject: Charter of Authorities and Responsibilities of the Office of Internal Audit and Investigations

The purpose of this Executive Directive is to issue a new Charter which updates the authorities and responsibilities of the Office of Internal Audit (OIA). The new Charter replaces the previous Charter issued as CF/EXD/2011-001. Please note that among other things, this new Charter changes the name of OIA to the Office of Internal Audit and Investigations (OIAI).

Please read the new Charter carefully and share it with all staff in your offices.

Many thanks.
Introduction

1) This Charter sets out the purpose, authority and responsibility of the Office of Internal Audit and Investigations (OIAI), which is a key component of UNICEF’s independent internal oversight system. The Office reports to the Executive Director, with the purpose of independently advising management, and also reports to the Executive Board independently on its findings and concerns.

2) The Charter has been approved by the Executive Director after review by the Audit Advisory Committee.

Mission

3) OIAI provides independent and objective assurance and advisory services designed to add value and improve the operations of UNICEF. It helps UNICEF accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

4) OIAI also conducts investigations to examine and determine the veracity of allegations of corrupt or fraudulent practices, and allegations of misconduct that involve UNICEF staff, consultants, non-staff personnel, and institutional contractors.

Scope of Work

5) OIAI assesses whether UNICEF’s governance, risk management and control processes provide reasonable assurance that:
   - resources are acquired economically and used efficiently;
   - assets are safeguarded;
   - activities comply with regulations, rules, policies, procedures, directives, administrative instructions and contracts;
   - financial, managerial, and operating information is accurate, reliable, and timely; and
   - programmes, plans, and business objectives are achieved.¹

6) The nature and scope of OIAI advisory services are agreed with management. Such services may involve advice and analyses to promote improvements in governance, risk management and control processes, with OIAI taking care to ensure that its independence and objectivity are not compromised.

¹ This excludes evaluation activities that fall clearly within the scope of the UNICEF Evaluation Office.
7) OIAI’s investigations cover various forms of misconduct including, but not limited to: fraud; corruption; workplace harassment; sexual harassment; abuse of authority; or failure to observe prescribed regulations, rules, relevant administrative issuances and standards of conduct.

Objectivity and Independence

8) To ensure appropriate organizational independence and objectivity of OIAI, and to enable OIAI to fulfill its responsibilities free from interference in determining the scope of work, performing its work and communicating results:
   a) The OIAI Director reports and is accountable to the Executive Director for the provision of internal audit and investigation services in accordance with the provisions of this Charter and the Financial Rules and Regulations of UNICEF.
   b) The Executive Director ensures that OIAI is provided with the necessary staffing and budgetary resources to achieve its mission and maintain its independence.
   c) OIAI’s Charter and annual work plans are approved by the Executive Director after review by the Audit Advisory Committee.
   d) OIAI independently prepares and submits to the Executive Board an annual report on its activities, resources, significant risk and control issues highlighted by audits and investigations, actions taken or planned by management to implement OIAI recommendations, and such other matters as may be requested by the Board.
   e) The OIAI Director is appointed for a term of five years, renewable once for a maximum of five years, and is barred from re-entry into the organization after the expiry of his/her term.
   f) The Executive Director consults with the Audit Advisory Committee on the OIAI Director’s appointment, removal or contract renewal.

Responsibility

9) The Director of OIAI is responsible for:
   a) developing and submitting a risk-based annual work plan, that is flexible and adaptable to the emerging trends and issues in the organization, for review by the Audit Advisory Committee and approval by the Executive Director;
   b) ensuring that each work plan reflects OIAI’s aim of ensuring that: all UNICEF country offices are audited within a five year cycle; the "top ten" offices, with the highest value of annual programme expenditure, are audited every other year; and a number of other offices, rated by OIAI as high risk, are audited each year;
   c) implementing the approved work plan and periodically informing the Executive Director and the Audit Advisory Committee of progress in carrying out the work plan and the impact of amendments thereto, including any scope limitations, if any, and reporting significant results on a timely basis;
   d) coordinating with UNICEF’s External Auditors and Evaluation Office for the purpose of providing optimal assurance coverage at a reasonable overall cost;
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e) providing Member States and other approved external parties access to internal audit reports in accordance with the disclosure policies that have been approved by the Executive Board;
f) serving as primary focal point to the UN Office of Internal Oversight Services with regard to the work of that office, and as the organization's focal point (in consultation with the Public Sector Alliances and Resource Mobilization Office or the Governance, UN and Multilateral Affairs Office as appropriate) with Member State supreme auditing institutions and oversight services of multilateral and other bodies;
g) interfacing (through the office of the UNICEF legal adviser in the Office of the Executive Director) with Member State law enforcement authorities, as necessary, for investigation purposes;
h) maintaining a professional internal audit and investigation staff with sufficient qualifications, knowledge, skills, and experience to meet the requirements of this Charter;
i) operating secure and confidential channels for receiving reports of alleged misconduct;
j) conducting or supervising all investigations within UNICEF, in accordance with relevant Executive Directives and Administrative Instructions, and submitting investigations reports to the Human Resources, Supply, Programme and other relevant divisions for disciplinary and other appropriate follow up actions;
k) establishing a quality assurance and improvement program that covers all aspects of OIAI activities, and continuously monitoring its effectiveness; and
l) keeping UNICEF management and Audit Advisory Committee informed of emerging trends and practices affecting internal audit and investigation activities;

Authority

10) The Director of OIAI has the authority to allocate OIAI's resources, establish schedules, select subjects, determine scope of work, and apply techniques required to accomplish assurance, advisory and investigation objectives.

11) The Director and staff of OIAI:
   a) have full unrestricted access to all functions, information (including digitally stored data), documents, records, personnel and assets that OIAI deems relevant to its work; and
   b) may obtain all assistance, cooperation and explanations that OIAI deems necessary for the discharge of its audit or investigation responsibilities, with any legal support being provided by or under the supervision of the office of the UNICEF legal adviser in the Office of the Executive Director.
   c) The Director and staff of OIAI are not authorized to: perform any non- OIAI operational duty for UNICEF; initiate or approve accounting transactions external to OIAI; direct the activities of UNICEF employees assigned outside OIAI, except where such employees have been appropriately assigned to OIAI teams or to
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otherwise assist OIAI; and conduct any audit or investigation in which OIAI staff may have a direct or indirect personal involvement or interest.

Professional Standards

12) OIAI conducts internal audit work in accordance with the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors (IIA) as adopted by the Representatives of the Internal Audit Services of the United Nations Organizations and Multilateral Financial Institutions. OIAI also follows the reporting standards of the International Organization of Supreme Audit Institutions (INTOSAI).

13) OIAI carries out investigations in accordance with the Uniform Principles and Guidelines for Investigations endorsed by the 10th Conference of International Investigators in 2009, and in conformity with due process principles, as laid out in Chapter X of the United Nations Staff Regulations and Rules.

Approved: ___________________________ Date: 29.5.17
Anthony Lake, Executive Director