

UNITED NATIONS OFFICE FOR PROJECT SERVICES

**Headquarters, Copenhagen
Revision 1: 26 August 2010**

ORGANIZATIONAL DIRECTIVE No. 25 (revision 1) Charter of the Internal Audit and Investigations Group

MISSION

1. The mission of the Internal Audit and Investigations Group (IAIG)¹ is to provide independent and impartial assurance and advice designed to improve UNOPS operations. Further, IAIG leads the Executive Director's investigations into alleged fraud, corruption, waste of resources, abuse of authority or other misconduct and violations of UNOPS regulations, rules and administrative instructions. It helps the Organization achieve its objectives by bringing a systematic approach to evaluate and enhance the effectiveness of risk management, control and governance processes.

SCOPE OF WORK

2. All UNOPS operations are subject to internal audit and investigation.

Internal Audit

3. Internal and external audits of UNOPS activities are carried out exclusively by UNOPS internal auditors (i.e. IAIG) and external auditors (i.e. the United Nations Board of Auditors). This is referred to as the United Nations single audit principle².
4. The IAIG shall be responsible for the internal audit of UNOPS under Regulation 5.03 of the UNOPS Financial Regulations and Rules. IAIG shall conduct independent, internal audits in conformity with generally accepted international auditing standards and investigations in conformity with policies and procedure established by the Executive Director. IAIG shall review and report to the Executive Director on the use of resources administered by UNOPS and on the effectiveness, adequacy and application of internal control systems, policies, procedures and other relevant internal controls. Without prejudice to the foregoing, the scope of work of the IAIG includes determining whether the said processes, as designed and represented by UNOPS Management, are adequate and functioning in a manner to report, in compliance with UNOPS legislation, that:
 - Risks are identified and dealt with;
 - Interaction occurs with the various governance groups within UNOPS;
 - Financial and other managerial information are timely, complete and accurate;
 - Staff and other personnel actions are in compliance with policies and legislation;
 - Resources are used economically, effectively and efficiently;

¹ Formerly the Internal Audit Office (IAO)

² Refer to General Assembly Resolution 2885 (XXVI) and A/48/587 of 10 November 1993 for more details

- Programmes, plans and objectives are achieved;
 - Assets are adequately safeguarded;
 - Quality and continuous improvement are fostered in the Organization control processes;
 - Legislative and regulatory issues are recognized and properly managed; and
 - Lessons are learned and addressed throughout the Organization.
5. Opportunities for improving management control and the image of UNOPS may be identified during audits. They will be communicated to the appropriate level of management.

Investigations³

6. IAIG shall conduct investigations into reports of misconduct, such as mismanagement, fraud, corruption, retaliation on whistleblowers, abuse of authority, sexual harassment, workplace harassment, violation or willful disregard of UNOPS regulations, rules and other administrative instructions (including the Standard of Conduct for the International Civil Service), that involve UNOPS personnel, contractors and other applicable persons, in accordance with relevant Organisational Directives.
7. In addition, IAIG shall undertake proactive initiatives in high risk areas that are susceptible to wrongdoing, fraud and corruption.
8. IAIG shall have sole responsibility for the conduct of all investigations within UNOPS.
9. IAIG shall conduct its investigations pursuant to the “*UNOPS legal framework for addressing non-compliance with UN standards of conduct*” (Organisational Directive No. 36).
10. Opportunities for improving management control and the image of UNOPS may be identified during investigations. They will be communicated to the appropriate level of management.

INDEPENDENCE AND ACCOUNTABILITY

11. The Director of the IAIG shall report independently and exclusively to the Executive Director for both administrative and operational matters, with exceptions noted in the “*UNOPS legal framework for addressing non-compliance with UN standards of conduct*” (Organisational Directive No. 36)”. The Director of the IAIG shall report to the Executive Director to address significant issues related to the processes for controlling the activities of the Organization and offers recommendations for improvement and provide information periodically on the status and results of the annual audit plan and the adequacy of IAIG resources.

³ For the purposes of this Organisational Directive, the term “investigation” shall mean preliminary assessment and formal investigation as defined in “*UNOPS legal framework for addressing non-compliance with UN standards of conduct*” (Organisational Directive No. 36)

12. The Director of the IAIG shall report on IAIG's activities and performance to the Strategy and Audit Advisory Committee (SAAC) each time the Committee meets. The Director of the IAIG may request private and confidential access to the SAAC through a request made to its Chairperson.
13. The Director of the IAIG shall submit an activity report every year through the Executive Director for presentation to the Executive Board. This report shall comment on the results of the previous year's annual audit plan and the other main activities, including investigations, of the IAIG during that year.

RESPONSIBILITY

14. The IAIG shall have the responsibility to:

Internal Audit

- *Develop* a flexible annual audit plan in consultation with concerned managers, using appropriate risk-based methodology and other pertinent criteria and submit that plan to the Executive Director for approval;
- *Implement* the approved annual audit plan and special ad-hoc tasks as requested by the Executive Director;
- *Establish* a quality assurance programme by which the operation of internal audit activities is managed;
- *Determine* which UNOPS activities may be audited utilising the services of other auditors, *receive and review* the information and views provided by all such auditors, and *prepare and submit* the internal audit reports⁴ in respect of the aforementioned activities to the Executive Director and other stakeholders, as appropriate; and
- *Issue* periodic reports to the Executive Director disclosing results of audit activities and issue the pertinent recommendations. All internal audit reports will be submitted to the United Nations Board of Auditors after being submitted to the UNOPS Executive Director. Disclosure of all internal audit reports shall follow the procedures detailed in the UNOPS Accountability Framework and Oversight Policies.⁵

Investigation

- *Conduct* or assist in investigations as determined by the Director of the IAIG in accordance with the “UNOPS legal framework for addressing non-compliance with UN standards of conduct” (Organisational Directive No. 36). Investigations may focus on potential fraud, abuse, misappropriation, corruption and mismanagement within UNOPS and apply to all UNOPS personnel;
- *Manage* the UNOPS fraud hotline (all media);
- *Assess* fraud allegations and decide how the organization should respond; and

⁴ Incorporating such information and views of the other auditors as the IAIG may consider appropriate.

⁵ See Organizational Directive No. 2

- *Conduct* anti-fraud risk assessments to identify systemic weaknesses providing opportunities for fraud and abuse, and make recommendations to address such.

Operational

- *Maintain* professional personnel with sufficient knowledge and skills to meet the requirements of this Charter;
- *Liaise* and fully cooperate with the UNOPS SAAC. Regularly inform the SAAC of the status and result of the IAIG strategy and work plan, including progress reports on the action taken by management in response to the audit recommendations made by IAIG;
- *Liaise* and fully cooperate with the United Nations Board of Auditors and the United Nations Joint Inspection Unit (including the monitoring of their respective recommendations);
- *Liaise* and cooperate with the other United Nations Oversight and/or Internal Audit Units; and
- *Provide* advisory services as requested by the Executive Director.

AUTHORITY

15. The IAIG personnel are authorized to:

- *Have* unrestricted access to all UNOPS premises, records, property and personnel;
- *Allocate* resources, set frequencies, select subjects, determine scopes of audit work, and apply the techniques required to accomplish audit objectives;
- *Obtain* the necessary assistance of personnel in the organizational units subject to audit or investigation as well as other specialized services from within or outside the Organization when budgetary constraints permit, in accordance with current procedures. All personnel are obliged to assist IAIG in fulfilling its role;
- *Receive* information concerning possible fraud, corruption, waste or mismanagement in accordance with the UNOPS Policy to Address Fraud⁶; and
- *Obtain* independent professional advice and engage outside persons or entities with relevant experience and skills, if and when determined necessary by the Director of the IAIG.

16. The IAIG personnel are not authorized to perform any non-IAIG operational activity or accounting transaction for UNOPS nor direct the actions of any non-IAIG staff/personnel except if they have been assigned to assist the internal auditors and/or investigators.

STANDARDS

17. For internal auditing, the IAIG shall comply with the Professional Practices Framework of the Institute of Internal Auditors, which includes the *International Standards for the Professional Practice of Internal Auditing* and the *Code of Ethics*.

⁶ See Organisational Directive No. 10

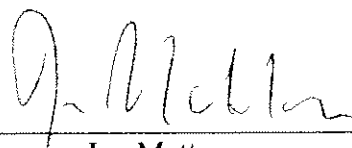
18. When conducting and managing investigations, and as prescribed in Organisational Directive No. 36, the IAIG is guided by the *Uniform Guidelines for Investigations*, developed by the Conference for International Investigators in 2003 and broadly adopted by the United Nations.

AMENDMENT OF CHARTER

19. The Director of the IAIG is responsible for applying this Charter and for keeping it current. Amendment of this Charter is subject to the approval of the Executive Director after he/she has consulted the SAAC.

FINAL PROVISIONS

20. This Organizational Directive is effective **1 September 2010**.
21. The Director of the IAIG is hereby authorized to issue Administrative Instructions that may be necessary to effect the implementation of this Organizational Directive.



Jan Mattsson
Executive Director, UNOPS