

**OPERATIONAL DIRECTIVE REF. OD.ED.2021.01**

**INTERNAL AUDIT AND INVESTIGATIONS CHARTER**

**1. Authority:**

- 1.1. This Operational Directive (OD) is promulgated by the Executive Director.

**2. Purpose:**

- 2.1. The purpose of this OD is to define the main roles, responsibilities and general principles relating to internal audit and investigations at UNOPS.

**3. Effective Date:**

- 3.1. This OD shall become effective **immediately**.

**4. Consequential Changes:**

- 4.1. This OD shall supersede and abolish OD.ED.2018.02: Internal Audit and Investigation Charter of 15 March 2018. The purpose of the revision is to revise and clarify Section 6 of the OD regarding conflicts of interests and investigations in case of misconduct allegations against the Executive Director, the Deputy Executive Director or IAIG personnel.

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Grete Faremo  
Executive Director

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## **1. Introduction**

- 1.1. The Internal Audit and Investigations Group (IAIG) is crucial to providing UNOPS with independent and impartial assurance, advice, and consulting services to improve the organization's operations. IAIG assists UNOPS in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes. It also assists in protecting the organization's integrity and reputation.

## **2. Authority and Scope**

- 2.1. According to Financial Regulations 6.01 and 6.02, IAIG shall be responsible for all internal audits and investigations of UNOPS. These include investigations into allegations of fraud, corruption, mismanagement of resources, abuse of authority and other forms of misconduct and violations of UNOPS Legislative Framework, as defined in EOD.ED.2017.01 of 13 March 2017, by UNOPS personnel, contractors, implementing partners, and other third parties deemed detrimental to UNOPS. In addition, IAIG shall undertake proactive initiatives in high risk areas that are susceptible to wrongdoing, fraud and corruption.
- 2.2. The authority of IAIG shall cover all of UNOPS activities. These include all programmes, operations, and activities undertaken by UNOPS at its headquarters and its regional offices, operations centres, service centres, project centres and other offices in any location.

## **3. Independence**

- 3.1. IAIG and its personnel shall be independent and remain free from any interference in conducting internal audits and investigations, including any matters of audit selection, scope, procedures, frequency, timing, or report content.
- 3.2. In this respect, to ensure appropriate organizational independence of IAIG, the Director, IAIG shall report independently and exclusively to the Executive Director. The Director also shall have free and unrestricted access to the Executive Board and the Audit Advisory Committee (AAC).
- 3.3. The Director of IAIG shall also prepare and submit an activity report every year to the Executive Board. This report shall confirm the organizational independence of IAIG and provide details about IAIG's performance relative to its annual audit plan for that year, other activities undertaken including investigations, and action taken by management to implement audit recommendations.
- 3.4. IAIG shall also be provided with the necessary resources, including budgetary resources and appropriately trained and experienced professionals, in order to fulfil its responsibilities under this OD. The budget of IAIG shall be presented

to the Executive Director for approval, on the basis of the request submitted by the Director of IAIG in accordance with the annual work plan, after review and advice from the AAC.

- 3.5. IAIG and its personnel shall have free access to the organization's records, personnel and premises, as necessary, in its opinion, for the performance of their duties.

#### **4. Professional Standards**

- 4.1. UNOPS Internal Auditors and Investigators shall abide by the United Nations Code of Conduct and shall at all times maintain and safeguard their independence, objectivity and professionalism in fulfilling the responsibilities.
- 4.2. UNOPS Internal Auditors shall comply with the Professional Practices Framework of the Institute of Internal Auditors, United States of America (USA), which includes the International Standards for the Professional Practice of Internal Auditing, the Code of Ethics, and the Definition of Internal Auditing.
- 4.3. UNOPS Internal Auditors shall also follow the Institute of Internal Auditors' Practice Advisories, Practice Guides, and Position Papers, as applicable, to guide their internal audit operations.
- 4.4. UNOPS Investigators shall be guided by the Uniform Principles and Guidelines for Investigations, developed and endorsed by the Conference for International Investigators, OI.IAIG.2018.01: Internal Investigation Procedures, and its own internal guidelines.

#### **5. Objectivity**

- 5.1. IAIG and its personnel shall exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and must not be influenced by their own interests or by others in forming judgments.

#### **6. Conflicts of interest**

- 6.1. IAIG and its personnel shall be free from any conflict of interest in respect of the audits and investigations they are conducting or overseeing.
- 6.2. They shall declare any conflict of interests or impairment that may affect their participation in an audit or investigation engagement and accordingly discharge themselves from such participation.
- 6.3. Credible allegations of misconduct against IAIG personnel will not be investigated by IAIG. These allegations shall be reported to the Executive Director. Any such allegation requiring an investigation will be reviewed by the

Oversight Office of another UN agency or international organization appointed by the Executive Director of UNOPS.

- 6.4. Credible allegations of misconduct against the Executive Director or Deputy Executive Director of UNOPS cannot be reviewed or investigated by IAIG and shall be reported by the Director of IAIG to the Under Secretary General of the United Nations Office of Internal Oversight Services (“OIOS”). IAIG shall extend any support necessary to OIOS in dealing with such allegations.

## **7. Internal audit plan**

- 7.1. The Director of IAIG will submit to the Executive Director at least annually an internal audit plan for review and approval.
- 7.2. The internal audit plan shall be developed based on a prioritization of the audit universe using a risk-based methodology, with input of senior management, the AAC, and the Executive Board. The approval requirement shall not prevent the Director of IAIG from auditing any other area within the purview of its mandate, as deemed necessary.
- 7.3. The Director of IAIG shall be responsible for implementing the approved plan and keeping the AAC informed about IAIG’s activities and performance, as required. The information provided shall include details of progress made in the implementation of the plan, scope limitations if any, and action taken by management on the implementation of audit recommendations. The Director of IAIG shall communicate the impact of resource limitations and significant interim changes to the AAC, senior management and the Executive Board.

## **8. Reporting and follow up**

- 8.1. The Director of IAIG shall issue an audit report following the conclusion of each internal audit engagement. All internal audit reports shall be submitted to the Executive Director and the United Nations Board of Auditors.
- 8.2. In its reports, IAIG may provide reports on weaknesses in controls, processes, and deficiencies in regulations and guidance that are identified in the course of internal audits and investigations. These reports may include recommendations for addressing these weaknesses and for further strengthening the accountability framework in the organization.
- 8.3. IAIG shall establish and maintain a system to monitor follow-up actions taken on the audit and investigation reports.
- 8.4. Where the Director of IAIG concludes that management has accepted a level of risk that may be unacceptable to the organization, he/she shall discuss the matter with senior management. If this matter is not resolved, the Director of IAIG shall communicate the matter to the Executive Director and Executive Board.

- 8.5. The Director of IAIG shall communicate to the Executive Director and the AAC on the internal audit and investigation activity's quality assurance and improvement activities, including results of ongoing internal and external assessments for both audit and investigations that are conducted at least once every five years.

## **9. Operationalization**

- 9.1. The Director, IAIG, shall be responsible for overseeing all of UNOPS internal audits and investigations, and for operationalizing this OD, including by promulgating Operational Instructions and other guidance materials, including training and other awareness activities, to operationalize this OD.