

Organization Directive No. 14

Charter of the Department of Internal Oversight Services

PURPOSE

1. This Directive sets out the terms of reference of the Department of Internal Oversight Services (DIOS).

MISSION STATEMENT

2. The mission of DIOS is to provide internal oversight services that add value to and support UNRWA in achieving its mission by strengthening accountability, transparency, integrity and learning within the Agency.

AUTHORITY

3. This Directive is issued under the authority conferred on the Commissioner-General as chief executive of the Agency by Resolution 302(IV) of 8 December 1949 of the General Assembly of the United Nations.

EFFECTIVE DATE

4. This Directive takes effect from [date].

REFERENCES

5. This Directive supersedes and replaces Organization Directive No. 14 dated 4 October 2009.
6. This Directive should be read in conjunction with Organization Directive No.2 - Organization of UNRWA; Organization Directive No.3 - Organization of Headquarters; Organization Directive No. 24 - Advisory Committee on Internal Oversight; Organization Directive No. 30 -Terms of Reference of the UNRWA Ethics Office; General Staff Circular No.05/2007 - Allegations and Complaints, Procedures and Protection against Retaliation for Reporting Misconduct and Cooperating with Audits or Investigations; and the Fraud Awareness Initiative document as amended from time to time.

ORGANIZATIONAL ARRANGEMENTS

7. The internal oversight functions of assurance (internal audit and inspection), advisory services, evaluation and investigation are entrusted to DIOS, whose Director reports and is accountable to the Commissioner-General, and who is advised by the Advisory Committee on Internal Oversight (ACIO). The ethics function is entrusted to the Ethics Office, which is administratively attached to DIOS, although it operates with full impartiality, independence and confidentiality as provided for in Organizational Directive 30.

SCOPE OF WORK

8. DIOS fulfils its internal oversight role through independent and objective assurance (internal audit and inspection) and advisory services, evaluation and investigation. DIOS's internal oversight responsibilities are set out in sections 9 to 16 below.

Assurance (Internal Audit and Inspection) and Advisory Services

9. The internal audit activity aims to add value to UNRWA by providing independent and objective assurance on, and contributing to, the effectiveness and efficiency of governance, risk management and control processes. The internal audit activity assesses the adequacy of processes in place to ensure that:
 - a. resources are acquired economically and used efficiently;
 - b. assets are safeguarded;
 - c. significant programme results, plans, and business objectives are achieved;
 - d. significant financial, managerial and operating information is accurate, reliable and timely; and
 - e. activities comply with regulations, rules and other administrative issuances, policies and procedures.
10. Inspections include on-site physical verification of tangible assets, and a limited assessment of processes in place to safeguard the assets.
11. Advisory services are provided on the request of managers, with whom the nature and scope of the services are agreed upon. The purpose of advisory services is to add value and improve UNRWA's governance, risk management and control processes, without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.
12. DIOS's assurance and advisory services responsibility includes:
 - a. developing and submitting a risk-based work plan for review by the ACIO and approval by the Commissioner-General;
 - b. implementing the approved work plan and periodically informing the Commissioner-General and the ACIO of progress in carrying out the work plan and the impact of amendments thereto, including any scope limitations, and reporting;
 - c. liaising with the United Nations Board of Auditors (UNBoA) for the purpose of providing optimal assurance coverage at a reasonable overall cost; and
 - d. managing a follow-up system for internal audit and inspection recommendations.

Evaluation

13. Evaluations aim to systematically and impartially determine the relevance, effectiveness, efficiency, impact and sustainability of ongoing and completed activities, projects, programmes, and strategies, policies, topics, themes, operational areas and institutional performance by examining expected and achieved accomplishments, result chains, processes, contextual factors and causality. Evaluation findings, recommendations, and lessons learned should be incorporated into decision-making processes in order to strengthen learning and accountability in the Agency with the aim of improving operations and results.
14. DIOS's evaluation responsibility includes:
 - a. assuming functional leadership and oversight over UNRWA's evaluation system which consists of the central evaluation function in DIOS and decentralized evaluation functions in Headquarters Departments and Field Offices;
 - b. designing, commissioning, managing and carrying out independent evaluations;
 - c. providing guidance, technical support and capacity development for the management of decentralized self-evaluations and promoting an evaluation culture in the Agency;
 - d. developing and regularly updating policy documents, guidelines, systems, procedures and tools related to evaluation in the Agency;
 - e. preparing an annual Evaluation Plan based on a process of consultation, a clear rationale for selection, and prioritization of the subjects for evaluation; presenting the plan for the review of the ACIO and approval by the Commissioner-General;
 - f. managing a follow-up system for evaluation recommendations;
 - g. ensuring that internal and external stakeholders have access to evaluation findings and recommendations.

Investigation

15. DIOS'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 regulations, rules and other administrative issuances, policies and procedures. DIOS is mandated to be the central point for the receipt of all allegations and complaints in relation to misconduct.

16. DIOS' responsibility for investigation includes the following:
 - a. maintaining a confidential registry of allegations and complaints in a centralised Case Management System, which is managed and supervised to ensure the timely recording and management of allegations, complaints and related investigative activity;
 - b. managing the Agency's telephone hotline and email complaints system;
 - c. conducting investigations;
 - d. providing technical advice, guidance and training to staff who may be required to carry out investigations supervised by Field and Departmental Directors;
 - e. administering a process of quality assurance by initiating reviews of investigations conducted by other HQ Departments and Field Offices;
 - f. conducting further investigation if not satisfied with the results or recommendation of any investigation carried out by the Field and Department Directors;
 - g. maintaining the security and confidentiality of all information and documentary and physical evidence related to investigations;
 - h. respecting the individual rights of staff members and acting with strict regard for fairness and due process for all concerned in accordance with applicable regulations, rules and administrative issuances;
 - i. developing and submitting a work plan for review by the ACIO;
 - j. preparing, for submission to the ACIO and the Commissioner-General, an annual confidential report on the investigation of allegations and complaints of misconduct.

REPORTING

17. DIOS shall issue periodic reports to the Commissioner-General and the ACIO on the status of implementation of its work plan, the status of implementation of audit, inspection and evaluation recommendations and the status of follow-up related to investigation reports. All audit, inspection and evaluation reports shall be made available to the ACIO.
18. DIOS independently prepares and submits to the ACIO and UNRWA's Advisory Commission an annual report on its activities, resources, significant findings highlighted by audits, inspections, evaluations and investigations, and measures taken by management to implement DIOS's recommendations.

INDEPENDENCE AND OBJECTIVITY

19. To ensure appropriate organizational and individual independence and objectivity and to enable DIOS to fulfill its responsibilities free from interference in determining the scope of work, performing its work and communicating results:
 - a. DIOS staff shall have no direct operational responsibility or authority over any of the activities in the Agency;
 - b. DIOS staff shall be impartial, unbiased and avoid conflicts of interest; DIOS staff and consultants shall not be assigned to areas for which they have had operational responsibility within at least two years, and are required to immediately declare to the Director, DIOS any potential and/or actual conflicts of interest or other circumstances that may be perceived to impair their independence and objectivity in relation to any assigned activity;
 - c. DIOS shall be provided with the necessary resources in terms of adequate funds and professional staff to maintain its independence and objectivity.

RESPONSIBILITY AND POWERS

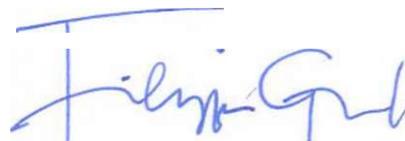
20. The authority of the Director and staff of DIOS includes:
 - a. the Director shall have the authority to allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit, inspection, evaluation or investigation objectives;
 - b. the Director and staff shall have unrestricted access to all functions, records,

property, premises and personnel; all officers and staff members, consultants, contractors, interns and United Nations volunteers shall cooperate with DIOS audits, evaluations, investigations and inspections and provide access to all records, documents and information requested by DIOS in connection with such assignments except for medical records which shall not be made available without the prior written consent of the staff member concerned;

- c. the Director shall have full and unrestricted access to the Commissioner-General, the members of the ACIO, the UN Office of Internal Oversight Services, the UN Ethics Office and UNBoA.

PROFESSIONAL STANDARDS

21. DIOS's oversight activities shall be performed in accordance with international standards for audit, evaluation and investigation. These include (i) the International Standards and Code of Ethics defined in the Professional Practices Framework for Internal Auditing issued by the Institute of Internal Auditors (IIA) as adopted in June 2002 by the Representatives of the Internal Audit Services (RIAS) of the United Nations and Multilateral Financial Organizations, (ii) the Norms and Standards for Evaluation in the UN System issued by the United Nations Evaluation Group in April 2005, (iii) the Uniform Standards for Investigations adopted by the 10th Conference of International Investigators of the United Nations Organizations and Multilateral Financial Institutions on 10-12 June 2009, (iv) the Standards of Conduct for the International Civil Service annexed to the Status, Basic Rights and Duties of United Nations Staff Members" (STjSGBj2002j13), dated 1 November 2002, and (v) applicable UNRWA Regulations, Rules, other administrative issuances, policies and procedures.
22. DIOS shall maintain professional staff with sufficient qualifications, knowledge, skills, and experience to meet the requirements of this Directive.
23. The Director shall establish a quality assurance and development programme that covers all aspects of DIOS's activities. S/he shall continuously monitor the programme's effectiveness.


Commissioner-General
to Oct 2012

ANNEX TO ORGANIZATION DIRECTIVE NO. 14

UNRWA's Policy on Disclosure of Internal Audit Reports to Member States of the United Nations

1. Background and Purpose

The Chief Executives Board has endorsed a recommendation made by the Representatives of Internal Audit Services of the United Nations System that Internal audit reports are to be disclosed to UN Member States subject to conditions and criteria defined in policies adopted by each United Nations system organization. Accordingly, UNRWA hereby sets out its policy on disclosure of internal audit reports.

2. Authority

This policy is issued under the authority conferred on the Commissioner-General as chief executive of UNRWA by Resolution 302(IV) of the United Nations General Assembly dated 8 December 1949. It is issued as an annex to Organization Directive No. 14, which sets out the terms of reference for the internal oversight function in UNRWA.

3. Effective Date

This policy shall take effect from 4 October 2009 and applies to internal audit reports issued by the Commissioner-General after this date.

4. Considerations Governing Disclosure

UNRWA is committed to transparency with Member States of the United Nations. This commitment shall be pursued in a manner consistent with best management practice and with UNRWA's obligations while safeguarding the privacy and confidentiality owed to its beneficiaries as well as, in respect of its staff, including any applicable due process rights.

5. Scope

- 5.1 This policy applies solely and exclusively to the disclosure of internal audit reports to Member States of the United Nations. For purposes of this policy, an "internal audit report" shall mean a final internal audit report issued by DIOS
- 5.2 For the avoidance of doubt, the term "Internal audit report" does not include investigation reports, which reports shall remain strictly confidential and protected from disclosure to Member States and other persons and entities external to UNRWA.

6. General Policy

- 6.1. Member States seeking disclosure of an UNRWA internal audit report shall present, through a duly-accredited representative, a written request for such disclosure. The request shall be addressed to the Commissioner-General and shall furnish specific details of the report requested and the purposes for which the disclosure is sought.
- 6.2. The Commissioner-General, in consultation with D/DIOS and relevant departments, shall consider each request submitted by a Member State and make a decision on whether the internal audit report may be disclosed and the terms on which the said report may be disclosed.
- 6.3. The Commissioner-General may: (i) approve the disclosure of a copy of the internal audit report; (ii) decide to withhold disclosure of the internal audit report; (iii) approve the disclosure of a copy of the requested internal audit

report with such modification or explanatory addendum as the Commissioner-General deems necessary; or (iv) direct that a representative of the requesting Member State be permitted to view the requested report at the offices of UNRWA without making a copy thereof

7. Disclosure of Reports with Modifications or with Explanatory Addenda

- 7.1 An internal audit report may be modified by the removal of names and other information pertaining to persons or entities in order to protect confidentiality and any applicable due process rights, of those concerned.
- 7.2 An internal audit report may be disclosed along with an explanatory addendum which clarifies or corrects information in the report or which addresses the findings or recommendations of the report. Such an addendum shall be deemed to be an integral part of the disclosed Internal audit report.

8. Procedural Matters

- 8.1 A request for disclosure of an internal audit report shall be considered and a response provided no later than two calendar months after the request is received by D/DIOS. Notwithstanding the foregoing, the DDIOS may, in exceptional cases, inform the requesting State that further time is needed to respond to the request.
- 8.2 Prior to the disclosure of an internal audit report, the receiving Member State shall execute, through its duly accredited representative, a confidentiality agreement as per the attached form.
- 8.3 The Commissioner-General and D/DIOS shall consult the General Counselor The Legal Adviser with regard to any legal issues relating to the request for disclosure, and may consult any other officer of UNRWA with respect to other issues relating to such request.
- 8.4 The DIOS annual report to the Commissioner-General shall include a section reporting on the sharing of internal audit reports. This section will furnish such details as a list of reports made available to requesting Member States; the dates of disclosure; the manner thereof and any other information DIOS may deem relevant.

FORM OF CONFIDENTIALITY AGREEMENT
[REPORT IN QUESTION BY TITLE AND REFERENCE NUMBER]

This Confidentiality Agreement ("Agreement") effective as of [Date] is made this [insert date] by [Name of recipient of Internal Audit Report (hereafter the Recipient) in his/her capacity as a duly accredited Representative of the State of [Name of State].

1. Recipient's Obligations

The Recipient undertakes:

- (a) that UNRWA's Internal Audit Report [Insert title and reference number] as well as its contents shall be held in strict confidence and that the confidentiality of this Report shall be protected;
- (b) to refrain from any use of the Report or its contents other than for the purposes of [Insert purpose of disclosure];
- (c) that the Report and its contents shall not be disclosed, published or otherwise revealed except to officers of [Insert State] with a specific need to be apprised for the purpose stated in paragraph l(b) above; and
- (d) to seek specific prior written authorization from UNRWA in the exceptional event that [Insert State] may wish to disclose the Report to another State.

2. Limitation of Liability.

The Recipient shall indemnify, hold and save harmless, and defend, at its own expense, UNRWA, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of or in connection with this Agreement or with the presence of the Recipient's representatives on UNRWA premises.

By:

Name:
Title:
Organization:

UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES
IN THE NEAR EAST (UNRWA)

By:

Name:
Title: