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منظمة  
الغذية والزراعة  
للأمم المتحدة

# FINANCE COMMITTEE

## Hundred and Seventy-seventh Session

Rome, 30 - 31 October 2019

### Revised Charter of the Office of the Inspector General

Queries on the substantive content of this document may be addressed to:

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EXECUTIVE SUMMARY

- The “Revised Charter of the Office of the Inspector General” is submitted to the Board for approval.
- The Executive Summary of the “Revised Charter of the Office of the Inspector General” is included within the main document presented to the Committee for its review.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is requested to review the “Revised Charter of the Office of the Inspector General” and to endorse it for approval by the Executive Board.

Draft Advice

- **In accordance with Article XIV of the General Regulations of WFP, the FAO Finance Committee advises the WFP Executive Board to approve the draft decision as outlined in the document “Revised Charter of the Office of the Inspector General”.**



World Food Programme  
Programme Alimentaire Mondial  
Programa Mundial de Alimentos  
برنامج الأغذية العالمي

**Executive Board**  
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## Revised Charter of the Office of the Inspector General

### Executive summary

The Office of the Inspector General has revised its Charter last updated in 2015. The proposed revisions to the previous Charter were disclosed and discussed with the Executive Board in an informal consultation on 30 April 2019 and were previously distributed in a document comparing and describing the rationale for each revision.

Revisions to the Charter of the Office of the Inspector General were made to strengthen the independence of OIG through approval of its Charter by the Executive Board and escalation of important matters to the Audit Committee and the Executive Board.

Recommendations of the Joint Inspection Unit were also incorporated, including Executive Board approval of the Charter and referral of allegations directed against the Executive Director to the individuals responsible for his/her appointment.

The following high-level summary describes the most substantive changes:

- The roles and responsibilities of the Office of the Inspector General and management with respect to governance, risk, and internal control were expanded and clarified throughout.
- Services provided by the Officer of the Inspector General were better defined, most notably in the areas of advisory services, proactive integrity reviews and inspections.
- The revised Charter strengthens the independence of the Office of Inspector General by requiring elevation of important matters beyond the Executive Director to the Audit Committee and the Executive Board.
- The revised Charter restricts the Office of Inspector General from performing investigations of alleged fraud or misconduct by the Executive Director. It adds requirement to refer these matters to the attention of the Director-General of the Food and Agricultural Organization (FAO) and the Secretary-General of the United Nations.
- Approval of the Charter and any subsequent revisions to the Charter must be obtained from the Executive Board.

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#### Focal point:

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**Draft decision\***

The Board approves the revised Charter of the Office of the Inspector General set out in document WFP/EB.2/2019/4-B with immediate effect.

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\* This is a draft decision. For the final decision adopted by the Board, please refer to the decisions and recommendations document issued at the end of the session.

## CHARTER OF THE OFFICE OF THE INSPECTOR GENERAL

### Establishment

1. The Executive Board establishes Financial Regulations to govern the management of the WFP Fund, under General Regulation XIV.5. The Office of the Inspector General was established by the Executive Director, under Financial Regulation 12.1.

### Structure

2. The Office of the Inspector General (OIG) comprises two units: the Office of Internal Audit (OIGA) and the Office of Inspections and Investigations (OIGI). The Inspector General also performs the role of Chief Audit Executive.

### Mission

3. The mission of the Office of the Inspector General is to provide WFP's stakeholders assurance on the adequacy and effectiveness of WFP's governance, risk management, and control processes aimed to detect and deter fraud, waste and abuse through the conduct of independent and objective oversight activities; to conduct inspections and investigations into allegations of wrongdoing<sup>1</sup> and misconduct;<sup>2</sup> and to facilitate the adoption and implementation of United Nations, humanitarian agency and private-sector best practices related to assurance and oversight.

### Responsibility

4. The Inspector General will verify and report on the integrity, efficiency and effectiveness of WFP's management, administration, operations and Programmes; and management's efforts to prevent, deter and detect wrongdoing and misconduct.
5. The oversight services provided by OIG include internal audits, advisory services, proactive integrity reviews (PIRs), inspections and investigations. The scope of work includes all programmes, systems, processes, operations and activities undertaken by WFP.
6. The Inspector General is responsible for issuing reports on the results of internal audits, advisory services, PIRs, inspections and investigations as soon as practicable after the work has been completed.
7. OIG activities seek to determine whether WFP's governance, risk management and control processes, as designed and represented by management, are adequate and functioning in a manner to provide reasonable assurance that:
  - a) Risks to achieving Programme-wide objectives, results and outcomes are appropriately identified, analysed and managed;
  - b) Controls are designed, implemented and monitored to ensure the effective and efficient use of the resources of WFP and the safeguarding of its assets;
  - c) Key financial, managerial, and operating information is accurate, reliable and timely;
  - d) Resources are acquired economically, used efficiently, and adequately protected from fraud, waste and abuse;
  - e) Continuous improvements are fostered in the Programme's control processes;

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<sup>1</sup> Such as fraud, corruption, coercion, collusion, theft, misappropriation, obstructive practices, waste, abuse of resources and any other unethical practice contrary to applicable rules, regulations and policies.

<sup>2</sup> Such as harassment, sexual harassment, abuse of authority, retaliation, discrimination, sexual exploitation and abuse, and violations of applicable rules, regulations and policies.

- f) Management has taken measures to develop, implement, monitor and enforce its policies;
  - g) Actions of WFP personnel are in compliance with applicable WFP rules, regulations, and policies;
  - h) WFP cooperating partners, vendors and other parties<sup>3</sup> observe applicable WFP rules, regulations and policies as required;
  - i) Adequate procedures are in place to prevent, deter, and detect wrongdoing and misconduct and management has made efforts to promote a working environment that is ethical, safe and free of abuse; and
  - j) Allegations of wrongdoing or misconduct are assessed and investigated when warranted.
8. OIG shall submit reports to the Executive Director and senior management on weaknesses in controls and processes or other challenges identified in the course of performing its services with recommendations for addressing them and strengthening the accountability framework.
9. Recommendations identified through the work of OIG for improving risk management, internal control, cost effectiveness and the Programme's image are communicated in writing to the appropriate level of management and through OIG reports.
10. Assurance activities are performed based on an annual assurance work plan formulated after the completion of a detailed risk assessment exercise conducted before the start of the year and shared with the Audit Committee for comment. The annual assurance work plan receives formal approval by the Executive Director after comments from the Audit Committee have been considered.
11. The assurance work plan will include a flexible internal audit, PIR and management advisory project listing developed based on appropriate risk-based methodology. All substantive changes to the original assurance work plan shall be discussed with the Audit Committee and will require approval of the Executive Director.
- a) Internal Audits**
12. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. OIGA helps WFP accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.
13. The scope of internal auditing encompasses, but is not limited to, assessing the effectiveness, adequacy and application of WFP's governance, risk management, and control processes as well as the quality of performance with respect to the achievement of WFP's stated goals and objectives.
14. Subject to an audit clause or agreement by the parties, internal audits of WFP's cooperating partners, vendors and other parties may also be conducted.
15. Except for functions or activities for which OIG has direct management responsibility, OIGA has responsibility to conduct all internal audits within WFP, using a risk-based approach for selecting and scoping these audits.

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<sup>3</sup> For purposes of this document, "other parties" are those entities with which WFP has a legal agreement, contract or relationship.

**b) Advisory Services**

16. Advisory services are consulting activities aimed to improve the management of risks, add value, and strengthen WFP's operations. Advisory services are performed by OIGA and may range from formal engagements, defined by written agreements, to less formal activities, such as participating in or observing standing or temporary management committees or project teams. OIGA must have the knowledge, skills and competencies to perform these assignments and the scope of these services should support the effective and efficient use of WFP resources.
17. Advisory services may be initiated by OIGA or requested by management who wish to utilize the expertise of OIGA to assist in more focused areas of risk and controls and/or operational processes, provided these services do not compromise OIG's independence or the reliability of its assurance work.
18. To maintain its independence and objectivity, and specifically for advisory consulting assignments where OIGA engages in designing controls, OIGA will normally not perform internal audits that evaluate the effectiveness of the controls designed by OIGA during the engagement for at least a two-year period. However, qualified external consultants may be engaged to independently assess the controls of these areas during this period.
19. Advisory services should not be used as a replacement for internal audits where assurance over the effectiveness and efficiency of internal controls is required.

**c) Proactive Integrity Reviews (PIRs)**

20. A PIR is a structured examination, included in the annual assurance work plan, performed to identify and test preventive and detective anti-fraud controls designed to limit fraud risk exposure. Drawing from a systematic fraud risk assessment of business processes or operations, the PIR assists management in determining WFP's susceptibility to fraud-related activities in order to mitigate operational, financial and reputational risks.
21. The objective of a PIR is to identify fraud risks and assess appropriate risk mitigation measures at an early stage. A PIR may provide the organization with reasonable assurance that internal controls are operating effectively to prevent or detect fraud or may identify opportunities for strengthening internal controls to better achieve these objectives.
22. Instances of suspected wrongdoing identified during a PIR are referred to OIGI for evaluation and, when warranted, formal investigation.

**d) Inspections**

23. Inspections are inquiries that can be undertaken in an area of perceived risk, outside the context of the annual assurance work plan or absent any specific, reported allegation.
24. The purpose of an inspection is to discover facts that, if proven, indicate that wrongdoing or misconduct may have occurred and should be reported. Instances of suspected wrongdoing or misconduct identified during an inspection are referred to OIGI for evaluation and, when warranted, formal investigation.

**e) Investigations**

25. The purpose of an investigation is to establish facts and provide sufficient evidence and analysis to determine whether a reported allegation of wrongdoing or misconduct has occurred and, if so, the persons or entities responsible, as well as to allow WFP management to take action where warranted in light of the findings.
26. OIGI is responsible for assessing and investigating allegations of wrongdoing or misconduct it receives involving WFP personnel.

27. OIGI is also responsible for assessing and investigating reported allegations of wrongdoing or misconduct it receives involving cooperating partners, vendors and other parties to the detriment of WFP and its beneficiaries. OIGI may, if appropriate, refer reported allegations it receives about non-WFP personnel to the investigative functions of the external parties. If it is determined that the external party does not have the internal capacity or resources to properly undertake this work, the external party may engage qualified external investigative bodies to perform the investigation, or OIGI may directly undertake the work. OIGI shall request a response regarding allegations referred to external parties to determine the outcome of the matter.
28. Except for complaints involving OIG personnel or the Executive Director, OIGI has the mandate to conduct, as deemed warranted, all investigations within WFP provided sufficient evidence indicates that, if proven, a violation of applicable rules, regulations, policies or contractual obligations has occurred.
29. When justified, OIG can refer complaints on its own initiative to OIGI for possible investigation. The reason for the referral can be the results of information discovered during the performance of OIG's work.

### **Organization**

30. The Inspector General functionally reports and is accountable to the Executive Director without prejudice to operational independence in discharging his/her oversight duties and responsibilities.
31. The Inspector General's tenure will be a four-year term, renewable once, without the possibility of further employment within WFP at the end of the final term. The Executive Director takes all decisions regarding the appointment, renewal, non-renewal or dismissal of the Inspector General on advice of the Audit Committee and with prior consent of the Executive Board.

### **Authority**

32. OIG, with strict accountability for confidentiality and safeguarding of records and information, and subject to any applicable restrictions related to protected information, has full, free, and unrestricted access to any and all WFP records, physical properties, and personnel which it considers to be pertinent to its work. All personnel are, within the framework of applicable due process rights, required to assist OIG in carrying out its activities.
33. OIG shall also be allowed access by cooperating partners, vendors and other parties entering into any contractual arrangement with WFP to the premises, records, documents and any other information relevant to their contractual relationship with WFP, which OIG considers to be pertinent to its work, subject to appropriate terms and conditions being agreed with contractual counterparts.
34. OIG has full, free, and unrestricted access to the Executive Board (in a manner consistent with the Rules of Procedure of the Executive Board) and the Audit Committee.
35. OIG may take or recommend measures as it deems necessary for the protection of the confidentiality of informants and witnesses, including limiting the use of information provided by them, as compatible with due process requirements.

### **Professionalism**

36. The Inspector General may delegate authority to OIG personnel to carry out oversight work but may not delegate the responsibility to achieve the OIG mandate.
37. The Inspector General is responsible for ensuring that policies, procedures and practices are established and applied to all OIG activities so that OIG operates efficiently and effectively and in accordance with this Charter, and its services contribute to improving the Programme's operations and administration and the achievement of its stated goals and objectives.
38. The Inspector General and OIG personnel shall abide by the Standards of Conduct for the International Civil Service and the WFP Code of Conduct, as well as all other WFP rules, regulations



and policies, and shall at all times maintain and safeguard their independence, objectivity, integrity, impartiality, and professionalism in fulfilling the responsibilities assigned under this Charter.

39. Internal audit activities carried out by OIGA personnel shall be performed in accordance with the Institute of Internal Auditors' mandatory guidance (including the Core Principles for the Professional Practice of Internal Auditing, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing), and with the OIGA policies, standards and guidelines.
40. Investigation activities carried out by OIGI personnel shall be performed in accordance with the Uniform Principles and Guidelines for Investigations endorsed by the 10th Conference of International Investigators, and with the OIGI policies, standards, and guidelines.
41. All OIGA and OIGI personnel shall have the necessary education, experience, training and expertise necessary to effectively and accurately conduct their work.

### **Independence and Objectivity**

42. OIG shall exercise operational independence in the conduct of its duties. It shall remain free from any interference, including regarding the selection, scope, procedures, frequency and timing of its activities, and the communication of the results.
43. The Executive Director will ensure that OIG is provided with the necessary resources in terms of appropriate staffing, adequate funds and appropriate training to achieve its mission and maintain its independence. To ensure independence, the Inspector General has managerial responsibility and control over the human and financial resources of the Division while abiding by WFP's rules and regulations. The Audit Committee advises the Executive Director and the Executive Board on the staffing and resources for the Division.
44. Functions for which OIG has direct operational responsibility or authority shall not be audited or inspected by OIG. Allegations of wrongdoing or misconduct against OIG personnel will not be investigated by OIG at WFP. Any such allegations will be reviewed by the Oversight Office of another United Nations entity or appropriate external investigative body appointed by the Executive Director, with resulting outcomes reported to the Executive Director.
45. Any allegations of wrongdoing or misconduct against the Executive Director will be referred to the Secretary-General of the United Nations for action and the Director-General of the Food and Agricultural Organization (FAO), and will not be investigated by OIG at WFP.
46. The Inspector General and OIG personnel shall avoid situations of actual, perceived or potential conflicts of interest which may otherwise impair their judgment in relation to the responsibilities assigned to them.

### **Responsibilities of WFP Management and Other Personnel**

47. The reviews, appraisals and advice provided by OIG do not in any way substitute or relieve WFP management of the responsibilities assigned to them.
48. WFP managers and other personnel, within the framework of applicable due process rights, must:
  - a) Report allegations of wrongdoing or misconduct by WFP personnel and its cooperating partners, vendors and other parties when identified and required by the organization's policies;
  - b) Cooperate fully with OIG internal audits, PIRs, inspections, investigations and other reviews and provide support, as required, at all levels;

- c) Inform OIG of allegations and known failures of the Programme's internal control systems, fraudulent activities and weaknesses that would allow waste, fraud or abuse or losses to occur, or that would substantially impede the efficient and effective use of resources;
  - d) Provide prompt and unrestricted access to all WFP records (paper and electronic), documents, personnel, premises and physical assets and timely responses to all queries and requests made by OIG;
  - e) Provide a response to OIG reports and recommendations in a timely manner, including developing a plan for agreed actions;
  - f) Seek the agreement of OIG before carrying out any activities (including securing external services to do so) that fall within the OIG mandate of internal audit, PIR, inspection or investigation;
  - g) Maintain the confidentiality of all information concerning matters under investigation or review by OIG, known by them by reason of their interactions or cooperation with OIG and, if in doubt about the confidentiality of information, seek advice from OIG.
49. Management is responsible for the implementation of oversight recommendations and related risk mitigation, and providing OIG timely information on the implementation status of these actions. Should the responsible manager not address an agreed oversight recommendation within the subscribed timeframe, OIG may escalate the matter to senior management, up to and including the Executive Director and, if not resolved, to the Audit Committee and the Executive Board.
50. When the Inspector General believes that senior management has accepted a level of residual risk that may be unacceptable to the Organization as a result of not implementing an agreed oversight recommendation, OIG may escalate the matter to senior management, up to and including the Executive Director and, if not resolved, to the Audit Committee and the Executive Board.

### **Reporting and Monitoring**

51. The Inspector General is responsible for expressing an annual assurance opinion to the Executive Director on the adequacy and effectiveness of governance, risk management and control processes in achieving WFP's objectives.
52. The Inspector General is responsible for preparing an annual report of OIG activities, including a summary of significant oversight findings resulting from its assurance work, the implementation status of recommendations, and confirmation of the organizational independence of OIG activities. This report shall be submitted to the Executive Board in accordance with General Regulation VI.2 (b) (viii).
53. The Inspector General is responsible for preparing quarterly summary reports of OIG activities, including significant oversight findings resulting from its assurance work and the implementation status of recommendations, and submitting these reports to the Executive Director, the Audit Committee, and the Executive Board.
54. The Inspector General will submit oversight reports to the Executive Director and to appropriate members of management. The Inspector General will also submit these reports to the Audit Committee, External Auditor and other parties on request and in accordance with WFP policies.
55. The Inspector General may provide Member States and other approved parties access to oversight reports on request and in accordance with policies on disclosure as approved by the Executive Board and implemented by the Executive Director.

56. OIG determines if high priority and other oversight recommendations have been satisfactorily addressed by management and is responsible for communicating to the Executive Director, the Audit Committee, and the Executive Board when management has not met its responsibilities.

#### **Periodic Quality Assessment**

57. The Inspector General is responsible for periodically assessing whether OIG's purpose, responsibility and authority, as defined in its Charter, continue to be adequate to accomplish its mission. The Inspector General is also responsible for communicating the results of this assessment to the Executive Director, the Audit Committee, and the Executive Board with appropriate updates when required.
58. The Inspector General will execute a quality assurance and improvement programme and communicate periodically to the Executive Director, the Audit Committee, and the Executive Board on the programme activities, including results of ongoing internal assessments, and external assessments that are conducted at least every five years.

#### **Charter Approval and Amendments**

59. The Inspector General is responsible for applying this Charter, reviewing it periodically with the Executive Director and the Audit Committee, and proposing changes when necessary. The Inspector General may issue any additional directives, policies, or guidelines as necessary to complement this Charter and accomplish its mission.
60. This Charter, and any subsequent amendments, require approval by the Executive Board.

**Acronyms used in the document**

FAO	Food and Agricultural Organization of the United Nations
OIG	Office of the Inspector General
OIGA	Office of Internal Audit
OIGI	Office of Inspections and Investigations
PIR	proactive integrity review