



United Nations Population Fund Charter of the Division for Oversight Services

Mission Statement

1. The Division for Oversight Services (DOS) acts as a catalyst to support UNFPA as a cost-effective, accountable and learning organization that manages risks.
2. To that effect DOS provides the Executive Director with independent and objective assurance and with advisory services designed to add value and improve UNFPA operations. It helps UNFPA accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve (1) the effectiveness of risk management, control, and governance processes, and (2) the impact of UNFPA's activities on its intended beneficiaries.

Scope of Work:

3. The oversight services provided by DOS cover internal auditing, fraud prevention and detection, investigation, evaluation, and advisory services as set forth in the accountability framework,¹ the oversight policy², the evaluation policy³ and subsequent decisions by the Executive Board. They are carried out through oversight engagements performed by auditors, evaluators, and/or investigators, and are subject to the single audit principle, as defined by the United Nations Board of Auditors.
4. DOS solely performs, manages, or authorizes others to perform or manage independent oversight services, unless otherwise directed by the Executive Director and advised by the Audit Advisory Committee.
5. In the fulfillment of its responsibilities DOS may use staff, consultants, or contractors.

A. Internal Auditing

6. The scope of Internal Auditing includes the examination and evaluation of the adequacy and effectiveness of UNFPA governance processes, risk management processes, internal controls structure, and the quality of its performance in carrying out assigned responsibilities in order to provide reasonable assurance to the Executive Director and the Audit Advisory Committee that these processes are functioning as intended to enable UNFPA to achieve its stated goals and objectives. This scope includes:
 - Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
 - Reviewing the systems established to ensure compliance with policies, plans, procedures, and rules and regulations that could have a significant impact on operations and reports.
 - Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
 - Reviewing and appraising the economy, effectiveness and efficiency with which resources are used.

¹ DP/FPA/2007/20

² Executive Board Decision 2008/37 and oversight policy (PPM)

³ Executive Board decision 2009/18 and evaluation policy DP/FPA/2009/4

- Reviewing operations to ascertain whether they are being carried out as planned and their results are consistent with established objectives and goals.
- Reviewing specific operations at the request of the Executive Board, Audit Advisory Committee or management, as appropriate.
- Monitoring and evaluating the effectiveness of the organization's risk management system.

B. Fraud Prevention and Detection

7. The scope of fraud prevention and detection includes the examination and evaluation of the adequacy and effectiveness of UNFPA internal controls to prevent and detect fraud. It includes:
- Managing the whistleblower system, including the protection of individuals disclosing cases.
 - Performing forensic data testing including continuous auditing.
 - Following up cases of fraud and actions undertaken by UNFPA to reduce risks of fraud, and when appropriate, monitoring disciplinary actions.

C. Investigation

8. DOS conducts investigations into reports of violations of applicable regulations, rules and administrative or policy issuances, unless otherwise directed by the Executive Director and the Audit Advisory Committee. This includes investigations into allegations of fraud and of other allegations of misconduct as further described in the UNFPA Policy on Accountability, Disciplinary Measures and Procedures and in the UNFPA policy on Fraud. DOS investigations follow the procedures established for that purpose in the UNFPA policy on Accountability, Disciplinary Measures and Procedures.
9. DOS manages and is responsible for the results of all such investigations, but may assign specific investigations or investigation activities to other individuals or entities. In such cases, DOS may also provide technical, investigative or other oversight related support to the investigation.
10. DOS does not conduct investigations into those allegations of misconduct for which different procedures have been explicitly established. These include allegations of harassment, sexual harassment or abuse of authority.

D. Evaluation

- 11.+ DOS conducts independent evaluations in accordance with the UNFPA oversight policy and provides oversight for all evaluations, including monitoring and assessing the quality of evaluations⁴. The scope of the evaluation function includes:
1. Verifying that strategic processes include all required and appropriate indicators and methodologies for measuring performance and impact,

⁴ Executive Board decision 2009/18 and evaluation policy DP/FPA/2009/4

2. Monitoring the measurement of the performance and impact of programmes and projects by:
 - Reviewing the quality and reliability of programme or project monitoring and assessing the quality of evaluations completed (including terms of reference, methodology, analysis, presentation of results, and use).
 - Reviewing the adequacy of impact measurement systems of programmes or projects.
 - Identifying gaps in monitoring and evaluation processes.
 - Assessing the validity of the approach used to identify priorities and challenges for programmes or projects.
 - Reviewing the relevance of programmes or projects to the real needs of intended beneficiaries.
 - Ascertaining compliance of programmes or projects with UNFPA global strategic framework.
 - Reviewing the available expertise and capacity in UNFPA and amongst counterparts to manage for results.
 - Assessing the validity of strategies proposed to achieve results of programmes or projects.
 - Identifying the major risks that the evaluand may face in achieving programme or project results and propose effective controls to decrease the residual risks to an acceptable level.
3. Commissioning independent studies to evaluate thematic issues critical to the organization and its mandate,
4. Contributing to building evaluation capacity in the organization.

E. Advisory Services

12. In providing advisory services, DOS seeks to add value by improving the organization's programme delivery and operations. In the implementation of its advisory role, DOS staff are authorized to provide ideas and opinions to UNFPA management on issues related to UNFPA and its relation to other UN entities. However, DOS does not participate in the decision making process to determine the actions that UNFPA will take.
13. DOS provides advisory services to UNFPA management, based on DOS knowledge of risk management, control systems, business analysis, and awareness of UNFPA conditions in field offices. At the request of management, DOS will participate in activities to develop and review policies, guidance, systems, and work processes in headquarters and field offices.

Authority and Accountability:

14. The Executive Director appoints the Director of the DOS and the Chief of the Evaluation Branch in DOS, limiting the term of their appointments to five and four years, respectively, renewable once, and barring re-entry into UNFPA. The Director of DOS reports to the Executive Director and communicates and interacts with the Audit Advisory Committee, as set forth in its Terms of Reference.
15. DOS has full, free, and unrestricted access to any and all of UNFPA records, physical properties, and personnel relevant to any UNFPA's functions under review. All employees are obliged to assist DOS in fulfilling its role.
16. The Director of DOS may allocate resources, set frequencies, determine scopes of work, and apply the techniques required to accomplish audit objectives.
17. Except as the Audit Advisory Committee may otherwise decide, the Director of DOS may attend all meetings of the Audit Advisory Committee.
18. Documents and information given to DOS during a periodic review will be handled in the same prudent and confidential manner as by those employees normally accountable for them.

Independence:

19. The Director of the UNFPA Division for Oversight Services has free and unrestricted access to the Executive Board, the Audit Advisory Committee, the United Nations Board of Auditors and any other entity having any oversight or governing function in relation to UNFPA. The Director of DOS may bring reports to the attention of the Executive Board, taking into account the International Standards for the Professional Practice of Internal Auditing (Standards), Code of Ethics contained in the International Professional Practices Framework of the Institute of Internal Auditors.⁶
20. All DOS activities shall remain free of influence by any element in the organization, including matters of engagement selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective attitude necessary for reporting.
21. DOS employees shall have no direct operational responsibility or authority over any of the activities they review. Accordingly, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity which would normally be audited. DOS employees and contractors are not assigned to areas for which they have had operational responsibility within the previous 12 months, and are required to declare to the Director of DOS any potential and actual conflicts of interest or impediment to their independence in relation to any assigned activity before it is implemented.
22. DOS staff members have an obligation to annually file an accurate financial disclosure statement as set forth in the UNFPA policy on financial disclosure and declaration of interest.⁷

⁵ Executive Board Decision 2009/15

⁶ Executive Board Decision 2008/37 and oversight policy (PPM)

⁷ Executive Board Decision 2008/37 and oversight policy (PPM)

23. The Executive Director will ensure that DOS is provided with the necessary resources in terms of adequate funds and staffing with the appropriate training to achieve its mission and maintain its independence.

Oversight Planning:

24. Annually, DOS shall submit to the Executive Director and the Audit Advisory Committee a summary of the oversight work schedule, staffing plan, and budget for the following year. The oversight work schedule is to be developed based on a prioritization of the risk universe using a risk-based methodology and on consultations with relevant headquarters divisions and regional entities, and the United Nations Board of Auditors. Any significant deviation from the formally approved work schedule shall be communicated to the Executive Director and the Audit Advisory Committee through periodic activity reports.

Reporting:

25. A written oversight report will be prepared and issued by the Director of DOS or designee following the conclusion of each oversight engagement. The report is communicated to the Executive Director, the auditee(s), the AAC, the United Nations Board of Auditors, and to the relevant Divisions or Offices in UNFPA.

26. The Director of DOS or designee may include in the oversight report the management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response should include a timetable for anticipated completion of action to be taken and an explanation for any recommendations not addressed. The auditee should enter their response and the follow-up of their actions into the data base maintained by DOS to that effect.

27. Management shall be responsible for appropriate follow-up on oversight findings and recommendations. All recommendations and their follow-up will be recorded by the auditee or the evaluand in a data base maintained by DOS. DOS will provide a summary report to the AAC of any significant recommendations not implemented.

28. The Director of DOS presents an annual report on internal audit and oversight activities transmitted through the Executive Director and a biennial report on evaluation activities to the Executive Board⁸. The annual report by the Audit Advisory Committee and the management response thereto are included as annexes to the annual report on internal audit and oversight activities presented at the annual session.⁹

29. The Director of DOS has the independence to report directly to the Executive Board on evaluations led by DOS, as well as to track follow-up to management responses resulting from the evaluations. The Chief of the Evaluation Branch in DOS has the final say on the contents of evaluation reports issued by DOS.¹⁰

30. The biennial reports on evaluation activities of the Director of DOS to the Executive Board addresses the function, findings and recommendations of evaluations, compliance, quality of

⁸ Executive Board decision 2009/18 and evaluation policy DP/FPA/2009/4

⁹ Executive Board decision 2008/37

¹⁰ Executive Board decision 2009/18

evaluations, analysis of the factors affecting quality, and the follow-up to evaluations conducted by UNFPA.¹¹

Disclosure of internal oversight reports, and evaluation reports

31. Evaluation reports are available to the Executive Board and to the public, except in those cases where the reasonable protection and confidentiality of some stakeholders are required.¹²
32. Oversight reports are classified as “Confidential. For internal circulation only”. However, the Executive Director may disclose internal audit reports while exercising the greatest extent of discretion and protecting the legitimate rights of programme countries as set forth in the oversight policy and in the decision 2008/37 of the Executive Board. The modalities of the disclosure of internal audit reports are detailed in the procedure manual of the Division for Oversight services.

Interaction with the United Nations Board of Auditors

33. The Director of DOS interacts with the United Nations Board of Auditors through the sharing and the coordination of annual oversight plans, issued oversight reports, the follow-up of external audit recommendations, and other matters as required for the fulfillment of DOS role.

Professional Standards:

34. DOS activities will be performed in accordance with the international Standards and Code of Ethics defined in the professional practices framework for internal auditing established by the Institute of Internal Auditors as interpreted and adopted in June 2002 by the representatives of the internal audit services of the United Nations and multilateral financial organizations, the uniform standards for investigations adopted by the third conference of international investigators of the United Nations organizations and multilateral financial institutions on 8 March 2002, the United Nations evaluation group (UNEG) norms and standards for evaluation in the United Nations systems, the "Standards of Conduct for the International Civil Service" annexed to the "Status, basic rights and duties of United Nations staff members" (ST/SGB/2002/13), dated 1 November 2002, and the UNFPA Policies and Procedures.

Amendment of the Charter

35. The Director of DOS is responsible for applying this Charter and for keeping it up-to-date. This Charter, approved by the Executive Director after taking advice from the Audit Advisory Committee, shall form an annex to the UNFPA Policies and Procedures. Amendment of this Charter is subject to the approval of the Executive Director after taking advice from the Audit Advisory Committee. Approved amendments shall be reported to the UN Board of Auditors.

¹¹ Executive Board decision 2009/18

¹² Executive Board decision 2009/18 and evaluation policy DP/FPA/2009/4

Date:

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