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UNFPA – Oversight

UNITED NATIONS POPULATION FUND

REVISED OVERSIGHT POLICY

Report of the Executive Director

Summary

The first UNFPA oversight policy (document DP/FPA/2008/14) was approved by the Executive Board in decision 2008/37. In line with Article VII of the 2008 oversight policy, the Executive Director is responsible for recommending amendments to the policy.

Since 2008, developments related to oversight have warranted updating the policy. The revised UNFPA oversight policy contained in the present report reflects these changes.

Elements of a decision

The Executive Board may wish to take note of the report and approve the revised UNFPA oversight policy contained therein.



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Introduction

1. Pursuant to decision 2007/29 adopted by the Executive Board at its annual session 2007, the first UNFPA oversight policy (document DP/FPA/2008/14) was presented for consideration of the Executive Board at its first regular session 2008. After an extensive review, the policy was approved by the Executive Board, in decision 2008/37, at its second regular session 2008.
2. The oversight policy aims to encourage good governance, create the necessary environment of accountability and transparency in UNFPA and ensure that the Fund operates effectively and efficiently while continuously improving its performance.
3. In line with Article VII of the 2008 oversight policy, the Executive Director is responsible for recommending amendments to the policy, in order to further enhance UNFPA oversight mechanisms, foster further accountability, improve evaluation and measurement of results and impact, strengthen monitoring and expand transparency in reporting.

Part one

Accountability and oversight developments in UNFPA

1. Oversight has traditionally been associated with legislative and financial accountability. Oversight was broadened over time to incorporate risk management, internal control processes, relevance, effectiveness, efficiency and, ultimately, impact of UNFPA interventions, and also to reflect the joint responsibilities of the governing bodies, management, and internal and external fiduciary bodies.
2. Fiduciary oversight constitutes a set of activities in which external bodies as well as internal ones, independent from management, provide assurance to the Executive Director, the Executive Board and other concerned parties that the governance, risk management and internal control processes in place are reliable and that cost-effective systems are in place.
3. Since 2008, when the policy came into effect, there have been several developments related to oversight that warrant revisiting and updating the policy:
 - Numerous pertinent Executive Board decisions related to strengthening accountability, transparency, ethics, evaluation, audit and investigation. These Board decisions have been reinforced by General Assembly resolution 67/226, on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, which also points to strengthening accountability and oversight;
 - Revised roles and responsibilities of various parties involved in fiduciary oversight at UNFPA, including the creation of a separate Evaluation Office and of the Office of Audit and Investigation Services; the consolidation of all investigation activities related to staff wrongdoing and the expanded mandate into examining wrongdoing committed to the detriment of UNFPA by third parties in a single investigation unit within the latter office;
 - Developments in the field of oversight, in particular those related to risk management and internal control, and of relevant professional and ethical standards that have evolved during the past six years;
 - The increasing transparency of information, with all internal audit reports now publicly available;
 - Management initiatives related to managerial oversight.
4. The revised UNFPA oversight policy presented below reflects these changes.

Part two

REVISED UNFPA OVERSIGHT POLICY

I. DEFINITIONS

1. For the purpose of the UNFPA oversight policy, the following definitions will apply:
 - **Assurance process** means an objective examination of evidence for the purpose of providing an independent assessment of governance, risk management and internal control processes for the organization. **Reasonable assurance** means an acceptable and satisfactory level of confidence under given considerations of costs, benefits and risks. The assurance process alone, even when performed with due professional care, does not guarantee that all significant risks will be identified.
 - **Accountability** means the process whereby UNFPA and individuals within UNFPA are held responsible for their decisions and actions, including their stewardship of public funds, fairness and all aspects of performance, in accordance with agreed rules and standards, and fair and accurate reporting on performance results vis-à-vis mandated roles or plans. Accountability may apply in different ways, some of which can be intertwined:
 - **Organizational accountability:** UNFPA activities are conducted in accordance with its legislative mandate and the policies adopted by the General Assembly, the Economic and Social Council and the Executive Board. This also includes the results as defined in the strategic plan are achieved;
 - **Programme accountability:** Activities are conducted in accordance with procedures agreed upon by the parties involved in a programme (or project). This also includes the results as defined in a programme (or project) are achieved;
 - **Financial accountability:** The funds entrusted to UNFPA are fully accounted for and used in full compliance with agreements;
 - **Operational accountability:** Activities are conducted in the most efficient and effective manner and overlaps, duplications and inefficient use of resources are avoided;
 - **Individual accountability:** Staff and other officials adhere to standards of conduct and professionalism, as well as ethics;
 - **Mutual accountability:** This refers to the joint accountability of two or more actors involved in the same undertaking.
 - **Accountability framework** means the results framework, as well as the policies, procedures,

standards, processes and structures, put in place to hold UNFPA and its personnel accountable.

- **Business unit** means any operation or office that is led by management. These units typically comprise liaison offices, country offices, regional and subregional offices, as well as divisions, branches and offices at UNFPA headquarters.
- **Confidential information** means:
 - (a) Information received from or sent to third parties, under an expectation of confidentiality;
 - (b) Information whose disclosure is likely to endanger the safety or security of any individual, violate his or her rights or invade his or her privacy;
 - (c) Information whose disclosure is likely to endanger the security of Member States or prejudice the security or proper conduct of any operation or activity of the organization;
 - (d) Information covered by legal privilege or regulatory proceedings, or that subjects the organization to an undue risk of litigation, or is related to due process rights of individuals involved in internal audits and investigations;
 - (e) Internal inter-office or intra-office documents, including e-mails and draft documents;
 - (f) Commercial information, if disclosure would harm either the financial interests of the organization or those of other parties involved;
 - (g) Information which, if disclosed, in the organization's view would seriously undermine the policy dialogue with Member States or implementing partners;
 - (h) Other kinds of information that, because of their content or the circumstances of their creation or communication, must be deemed confidential.
- **Control activities** means the actions established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of UNFPA objectives are carried out. Control activities are performed at all levels of UNFPA, at various steps within processes in place and over the information technology and communication environment.
- **Evaluation** means an assessment, as systematic and impartial as possible, of an activity, project, programme strategy, policy, topic, theme, sector, operational area or institutional performance. It seeks to determine the relevance, impact, effectiveness, efficiency and sustainability of the intervention. It focuses on expected and achieved accomplishments, examining the results chain, processes, contextual factors and causality, in order to understand achievements or the lack thereof. An evaluation should provide evidence-based information that is credible, reliable and useful, enabling the timely incorporation of findings, recommendations and lessons learned into decision-making processes. Evaluations fall into two main categories: (a) programme-level evaluations; and (b) corporate evaluations.
- **Independence** means the necessary conditions of integrity and freedom from interference in determining the scope, performing functions and communicating findings of evaluation, internal audit and investigation activities. Any independent individual involved in such activities should have an impartial, unbiased attitude and avoid conflict of interest, as well as work in compliance

with professional standards.

- **Internal auditing** is an independent, objective assurance and advisory activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to assess and improve the effectiveness of governance, risk management and internal control processes.
- **Internal audit report (IAR)** means the final report resulting from an internal audit in assurance capacity, signed by the Director of the Office of Internal Audit and Investigation Services, and issued to the Executive Director and the auditees for their consideration and for the implementation of recommendations. The report is also provided to the United Nations Board of Auditors and the Audit Advisory Committee. It should be noted that reports on the audit of funds transferred to an implementing partner (so-called national execution audits) undertaken at management's request are not internal audit reports, and therefore not subject to the disclosure pronouncements of the Executive Board.
- **Internal control** means a process, effected by the Executive Board, management and other personnel, designed to provide reasonable assurance regarding the achievement of UNFPA objectives related to: (a) effectiveness, efficiency, economy and integrity of operations; (b) reliability of reporting; and (c) compliance with applicable regulations and rules.
- **Internal control framework (ICF)** means all the policies, procedures, standards, processes and structures, to ensure orderly, ethical, economical, efficient and effective use of resources. It consists of five interrelated components: control environment; risk assessment; control activities; information and communication; and monitoring activities.
- **Investigation** means a fact-finding process, *i.e.*, a process by which evidence is sought capable of ascertaining facts to permit a determination whether or not wrongdoing has occurred. Investigations may range from fraud and corruption, to workplace harassment, abuse of authority, retaliation against whistle-blowers, sexual exploitation and abuse, and other violations of applicable regulations, rules and administrative or policy issuances.
 - (a) **Internal investigation** means an investigation into alleged wrongdoing relating to a UNFPA staff member;
 - (b) **External investigation** means an investigation into alleged wrongdoing relating to a person other than a staff member, such as an independent contractor, implementing partner and other third party.
- **Management** means the persons who control, lead, direct and supervise UNFPA or who are delegated the authority to do so.
- **Oversight** means the processes by which to ensure organizational, programme, financial, operational and individual accountability, effectiveness of internal controls, including prevention and detection of fraud and malpractice. The General Assembly, in resolution 63/272, paragraph 4, affirmed that oversight is a shared responsibility of Member States, the organizations and the internal and external oversight bodies. Oversight results from the combination of fiduciary and management oversight:

- **Fiduciary oversight** means the evaluation and audit of the Fund's results, programmes, policy implementation, activities, processes (including those of fraud and malpractice prevention and detection), as well as the investigation of allegations of wrongdoing;
- **Management oversight** means the general process of setting up, directing, supervising, reviewing, monitoring and reporting on the Fund's results, policy implementation, programmes, and processes and activities, including risk management, fraud and malpractice prevention and detection.
- **Proscribed practice** means any of the following practices:
 - **Corrupt practice:** The offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
 - **Fraudulent practice:** Any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation;
 - **Collusive practice:** An arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party;
 - **Coercive practice:** Impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
 - **Obstructive practice:** Acts or omissions intended to materially impede the exercise of contractual rights of audit, investigation and access to information, including destruction, falsification, alteration or concealment of evidence material to an investigation into allegations of fraud and corruption;
 - **Unethical practice:** The conduct or behaviour that is contrary to staff or supplier codes of conduct, such as those relating to conflict of interest, gifts and hospitality, post-employment provisions, abuse of authority and harassment.
- **Risk management** (also referred to as enterprise or entity risk management or ERM) is a process effected by the Executive Board, management and other personnel, applied in strategy setting and across UNFPA, designed to identify potential events that may affect UNFPA, and manage risk to remain within its risk appetite, to provide reasonable assurance regarding the achievement of UNFPA objectives. The process is geared towards achieving strategic, operational, reporting and compliance objectives of UNFPA. It consists of several intertwined components. In particular:
 - **Risk assessment** means a dynamic and iterative process for identifying and analysing risks to achieving UNFPA objectives, forming a basis for determining how risks should be managed. Management considers possible changes in the external environment and within its own operating modalities that may impede its ability to achieve its objectives;
 - **Risk response** means the responses that management put in place to address risks, following the risk assessment and within its risk appetite.

- **Strict confidentiality** refers to information or material whose unauthorized disclosure could reasonably be expected to cause exceptionally grave damage to or impede the conduct of the work of UNFPA. This includes information or material deemed particularly sensitive relating to third parties or a country, government or administration, or that could compromise pending action and where such is likely to endanger the safety or security of any individual, violate his or her rights or invade his or her privacy.
- **Transparency** means a process by which reliable and timely information about existing conditions, decisions and actions relating to UNFPA activities is made accessible, visible and understandable to the Member States and the public.
- **Whistle-blower** means an individual who, in good faith, has reported wrongdoing or cooperated with a duly authorized audit or investigation.
- **Wrongdoing** means:
 - Misconduct, i.e. the failure by a staff member to comply with his or her obligations under the Charter of the United Nations, the Staff Regulations and Staff Rules or other relevant administrative issuances, or to observe the standards of conduct expected of an international civil servant;
 - A failure by a vendor (for instance, a legal person such as an implementing partner or a vendor, or an individual independent contractor such as a consultant) to comply with its, his or her obligations.

The term includes proscribed practices.

II. PURPOSE AND SCOPE

2. The oversight policy aims to encourage good governance, create the necessary environment of accountability and transparency in UNFPA and ensure that the Fund operates effectively and efficiently while continuously improving its performance.
3. The scope of the oversight policy is shaped by the following principles of good governance:
 - (a) The activities of the organization are fully in accordance with its legislative mandates;
 - (b) The funds provided to the organization are fully accounted for and in full compliance with project/programme agreements;
 - (c) The activities of the organization are conducted in the most efficient and effective manner, and duplications and inefficient use of resources are avoided;
 - (d) The staff and all other officials of the organization adhere to the highest standards of professionalism, integrity and ethics; and
 - (e) The partners and outside parties through which the organization operates adhere to the highest standards of conduct and integrity.

III. PRINCIPLES OF THE UNFPA OVERSIGHT POLICY

A. General principles

4. UNFPA execution of fiduciary and managerial oversight includes three essential elements that are designed to work as a comprehensive system which provides reasonable assurance that UNFPA activities are efficient and effective:
 - (a) An accountability framework holding management responsible for the efficiency, effectiveness, economy and integrity of UNFPA programmes and operations;
 - (b) A comprehensive, rigorous and transparent assurance system;
 - (c) UNFPA managerial oversight processes over business units, programmes and projects, as well as management systems, such as verifications, periodic on-site reviews, surveys or analyses;
 - (d) Fiduciary oversight processes of evaluations and audits that review and assess programmes and management systems; as well as of investigation of allegations of wrongdoing.

B. Professional standards

5. Evaluation, internal audit and investigation activities are performed in accordance with the relevant professional standards, as stipulated in the evaluation policy and the charter of the Office of Audit and Investigation Services. Professional standards continue to evolve in order to keep pace with the changing environment and, where appropriate, UNFPA will adhere to the evolving standards.

C. Delegation of authority

6. In accordance with the bulletin of the Secretary-General regarding the authority of the United Nations Population Fund in matters relating to human resources (ST/SGB/2004/10), the Executive Director is accountable to the Secretary-General for the exercise of the authority delegated under this bulletin.
7. As set forth in the UNFPA Financial Regulations and Rules (Accountability, Regulation 3.1), the Executive Director is responsible and accountable for all phases and aspects of UNFPA financial activities. The Executive Director may further delegate authority to UNFPA personnel in accordance with Rule 103.1.

IV. ATTRIBUTES OF EFFECTIVE OVERSIGHT

8. The “tone at the top” regarding the expectations for orderly, ethical, economical, efficient and effective conduct from all UNFPA staff at all levels and at all times, set by the Executive Board and the UNFPA Executive Director, as part of the UNFPA management philosophy, operating style and organizational culture, is the foundation for effective oversight.

A. Zero tolerance principle

9. The present policy calls for zero tolerance for wrongdoing.

B. Responsibility and accountability for results

10. All UNFPA personnel are held accountable for the achievement of defined results within their respective areas of work.
11. Every entity to which UNFPA entrusts funds for the implementation of activities assumes responsibility for implementing these activities and achieving expected results by formally signing a contractual agreement. All such contracted parties are responsible for complying with the terms of their agreement and for providing adequate assurances that their contracts are implemented with integrity, transparency and in an effective and ethical manner.

C. Risk management

12. Management is responsible for identifying and assessing risks which will affect the fulfilment of the organization's mandate and the execution of its strategic plan, and the overall achievement of results, through continuously monitoring and reviewing: (a) changes in the environment; (b) progress and constraints in achieving results; (c) financial management and reporting on results; and (d) findings stemming from audit and investigation or from major reviews and evaluations. The above should be summarized into a risk assessment that management continuously updates to incorporate new and emerging risks and assess new information regarding the likelihood and impact of the materialization of risks.
13. Management is responsible for designing and putting in place adequate responses to mitigate those risks, within the risk tolerance set in the organization. Management is responsible for monitoring and reviewing the risk responses, and to adapt them on a continuous basis.
14. Internal audit is responsible for assessing the efficiency and effectiveness of the enterprise risk management process and any risk-related processes put in place, from risk identification to assessment to risk responses and monitoring activities.

D. Continuous improvement and lessons learned

15. Fiduciary oversight processes help identify ways to make UNFPA more efficient and effective, including in the context of coherence within the United Nations system as per General Assembly resolution 67/226.

E. Single audit principle

16. As set forth in the Report of the Secretary-General (A/48/587) dated 10 November 1993, the United Nations Board of Auditors, which is the external auditor of UNFPA, is solely responsible for the

conduct of external audits of the Fund. It has the exclusive right to provide an opinion on the accounts and financial statements of UNFPA. If special reviews are required, the Executive Board should request the external auditors to carry out specific examinations and issue separate reports thereon. The cost of such special reviews will be borne by the requesting authority.

F. Financial disclosure

17. In accordance with General Assembly resolution 60/238 (human resources management) of 15 February 2006, with the Staff Regulations 1.2 (m) and 1.2 (n), as reflected in General Assembly resolution 63/271 of 7 April 2009, and the UNFPA Policy on Financial Disclosure and Declaration of Interest, UNFPA staff members meeting the criteria for disclosure have an obligation to annually file the proper financial disclosure statement.

G. Dealing with proscribed practices and retaliation against whistle-blowers

18. Management will maintain standards of conduct that govern the performance of UNFPA staff, individual contractors, implementing partners, vendors and any third party with which the Fund is in a contractual relationship, in the prohibition of corrupt, fraudulent, collusive, coercive, unethical and obstructive practices as well as any other unethical behaviour, in any activity related to UNFPA, as set forth in the United Nations staff regulations and rules, the UNFPA financial regulations and rules, and the UNFPA procurement procedures. Management will take all necessary precautions to prevent, detect and address proscribed practices.
19. The Director, Office of Audit and Investigation Services (OAIS), shall put in place mechanisms to report allegations of prohibited practices and any other unethical behaviour, and shall undertake investigations of credible allegations as he or she determines to be appropriate, or upon request of the Ethics Advisor for complaints of retaliation against whistle-blowers.
20. The Ethics Advisor shall maintain mechanisms to receive and review complaints of allegations of retaliation against whistle-blowers.
21. The Executive Director shall take, as appropriate, disciplinary or administrative measures as a result of an investigation according to the UNFPA disciplinary framework and the protection against retaliation policy (for UNFPA staff), and the vendor sanction mechanism (for other contractual parties).

H. Independence

22. In line with the relevant professional standards, the Director of the Evaluation Office and the Director, OAIS, shall be free to determine the scope of their interventions and the methodologies used, to conduct their work as they deem necessary and to communicate results publicly, in line with Executive Board decisions on the matter.

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23. The Director, OAIS, shall have full, free and unrestricted access to any and all of the records, physical properties and personnel relevant to conducting its work and fulfilling the role of its office as defined in section V.
24. Independence is further assured by the ability of fiduciary oversight bodies to communicate freely with the Fund's governing bodies. Towards that end:
- (a) The Director of the Evaluation Office functionally reports to the Executive Board, and shall have free and unrestricted access to the Board as well as the Audit Advisory Committee, the United Nations Board of Auditors and any other entity having any fiduciary oversight or governing function in relation to UNFPA;
 - (b) The Director, OAIS, shall have free and unrestricted access to the Executive Board, the Audit Advisory Committee, the United Nations Board of Auditors and any other entity having any fiduciary oversight or governing function in relation to UNFPA;
 - (c) The Chairperson of the Audit Advisory Committee shall have free and unrestricted access to the Executive Board, the United Nations Board of Auditors and any other entity having any oversight or governing function in relation to UNFPA.

I. Transparency

25. Transparency means that reliable and timely information is made available to Member States and the public at large. Towards that end:
- (a) The Director of the Evaluation Office submits to the Executive Board, at the same time as UNFPA presents its integrated budget, a biennial budgeted evaluation plan, and, each year, a report on evaluation activities and results. The Director of the Evaluation Office, or his/her designee, may present specific corporate evaluations to the Executive Board, at its discretion. The biennial budgeted evaluation plan, the annual report on evaluation activities and results, as well as all corporate and programme-level evaluation reports, alongside the corresponding management answer, are publicly available;
 - (b) The Director, OAIS, presents an annual report on internal audit and investigation activities to the Executive Board. The information contained therein shall include information requested by the Executive Board. The report is publicly available. All internal audit reports providing assurance to the Executive Director are available following the disclosure procedures included in section VII of this policy. Disclosure of information on investigation is detailed in section VIII of the present policy;
 - (c) The Audit Advisory Committee submits a report on its work for the previous year to the Executive Director each year. This report is provided to the Executive Board as appended to the annual report on internal audit and investigation activities, and is available to the public;
 - (d) The annual report of the Ethics Advisor, submitted to the Ethics Panel of the United Nations, is also provided to the Executive Director and presented by the Ethics Advisor to the Executive Board. The report is available to the public;

- (e) Management is responsible for ensuring that responses are prepared for each evaluation, internal and external audit recommendations; and to report on actions taken on investigation recommendations. Responses are made public, alongside reports (evaluation); included in reports (internal audit); or provided to external auditors who refer to them in their report (external audit). Management follows up on the status of the implementation on a regular basis. In addition, management systematically reviews and addresses generic issues that arise from audit and investigation findings;
- (f) Management presents to the Executive Board:
 - (i) *Evaluation.* A management response is presented to the annual report from the Evaluation Office on evaluation activities and results. Further, through his/her annual report, the Executive Director reports on the progress made on the management-for-results framework of the UNFPA strategic plan and addresses key issues in this area; he/she also reports on the use and follow-up of evaluation, including on the implementation of evaluation recommendations. Upon the Executive Board's request to the Evaluation Office to present specific corporate evaluations, Management shall also present its management response thereto;
 - (ii) *Internal audit and investigation.* A comprehensive management response to the annual reports on internal audit and investigation activities presented to the Executive Board, and to the report of the Audit Advisory Committee. This response provides management assurance on the functioning of internal controls. This answer also includes an update on the implementation of internal audit recommendations. The answer further includes information on the manner and amount of recovery of financial losses identified by investigation. The comprehensive management response is appended to the report on internal audit and investigation activities to the Executive Board;
 - (iii) *External audit.* An update on the implementation of external audit recommendations is provided by management annually to the Executive Board; and
 - (iv) *Ethics.* A management response to the annual report of the Ethics Advisor to the Ethics Panel of the United Nations is provided to the Executive Board;
- (g) Management actions taken in relation to investigations are made public through a publicly disclosed and anonymized summary of cases of wrongdoing available on the UNFPA website [see Section VIII for details].

J. Resources required for effective oversight

- 26. The annual report on evaluation activities and results presented by the Director of the Evaluation Office includes a section on resources available for the evaluation function and required for the implementation of the evaluation policy. The budgeted biennial evaluation plan is presented to the Executive Board at the same time that UNFPA presents its integrated budget, to ensure the alignment of requirement with budget allocations.
- 27. Similarly, the annual report on internal audit and investigation presented by the Director, OAI, to the Executive Board at its annual session includes a section on resources available for internal audit and

investigation activities, and those required for the implementation of this policy within the risk tolerance set in the organization.

28. Management is responsible for providing information on the resources necessary to fulfil its managerial oversight responsibilities, within the risk tolerance set in the organization.
29. The Executive Board will assure availability of required resources for UNFPA to implement the oversight policy.

V. OVERSIGHT ROLES AND RESPONSIBILITIES

30. Effective oversight results from the synergy between the respective roles and responsibilities of (a) *management oversight*, which is undertaken by management; and (b) *fiduciary oversight*, which includes a process of assurance, examining and evaluating the adequacy and effectiveness of management discharging its responsibilities. Fiduciary oversight is executed by: the Evaluation Office; the Office of Audit and Investigation Services; the Audit Advisory Committee; the Ethics Office; the Executive Board of UNFPA; the United Nations Board of Auditors; and the United Nations Joint Inspection Unit.

A. Executive Director

31. The Executive Director shall be responsible and accountable to the Executive Board for all phases and aspects of financial activities of UNFPA.
32. The Executive Director shall be accountable to the Secretary-General for the exercise of the authority delegated in human resources matters. The Executive Director may further delegate authority to UNFPA personnel, as he or she deems it appropriate. The Executive Director shall establish operational arrangements for the application of the delegation of authority, including institutional mechanisms for the effective exercise of the Executive Director's authority in human resources matters.

B. Management

33. Management, at all levels of the organization, is accountable for exercising its management oversight role.
34. As part of its responsibilities, management plans, organizes, directs and supervises the performance of sufficient actions to ensure the achievements of the objectives set for the organization by its governing bodies.
35. Management is responsible for the implementation of the UNFPA strategic plan and the corresponding results framework and of other applicable policies related to management oversight activities.

36. Management is responsible for setting up the governance and risk management processes, as well as the internal control framework, including the measurement of performance. In particular, it is responsible for setting and directing the operation of the internal control framework and the risk management process. This also includes the mechanisms to prevent and detect fraud and corruption, and any misuse of resources.
37. It is further responsible for providing reliable information on the achievement of goals, outcomes, outputs and results and the impact on the intended beneficiaries, as well as for communicating results in a trustworthy, timely, accurate, open and transparent manner.
38. Management is responsible for providing responses to evaluation, as well as audit reports, as referred to in paragraph 25 (e); it is also responsible for taking action on investigation reports.
39. Management makes a representation to the fiduciary oversight bodies that the internal control framework is set up and working as intended, and that risks are adequately assessed and managed.
40. The above roles and responsibilities of management apply organization-wide.

C. Evaluation Office

41. The Evaluation Office, with the support of the Executive Director, is accountable for implementing the evaluation policy at UNFPA. It reports administratively to the Executive Director. Its main functions are as follows: conducts, or commissions to companies or to individual consultants, corporate evaluations and approves the terms of reference and pre-qualifies evaluators for programme-level evaluations; regularly alerts senior management to emerging evaluation-related issues of corporate significance, without participating in decision-making; sets evaluation standards and criteria; and develops methodological guidance and maintains evaluation quality-assurance mechanisms.
42. The Director of the Evaluation Office is appointed by the Executive Director for a fixed term of five years, renewable once. She/he is barred from working for UNFPA thereafter. Appointment, renewal and dismissal of the Director of the Evaluation Office is made after consultations with the Executive Board.
43. The Director of the Evaluation Office participates in ex-officio capacity in senior management meetings of the organization.
44. The Director of the Evaluation Office submits an annual report and a budgeted biennial evaluation plan to the Executive Board [see paragraph 25(a) for details].
45. The detailed description of the evaluation function and of the Evaluation Office role is included in the evaluation policy approved by the Executive Board.

D. Office of Audit and Investigation Services

46. OAIS covers internal auditing and investigation, as well as provides advisory services to the organization. Its mandate is defined in the UNFPA Financial Regulations and Rules, Article XVII.

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47. The scope of internal auditing includes the examination of the adequacy and effectiveness of the UNFPA governance, risk management and internal control processes. These activities are carried out to provide reasonable assurance to the Executive Director, the Audit Advisory Committee and the Executive Board that these processes are functioning as intended to enable UNFPA to achieve its stated goals and objectives. Access to internal audit reports and investigation information is regulated by Executive Board decisions [see sections VII and VIII for details].
48. Unless otherwise directed by the Executive Director and the Audit Advisory Committee in case of a conflict of interest, OAI conducts investigations into reports of alleged wrongdoing, including retaliation against whistle-blowers [see paragraph 54(e) for details (internal investigation)], and into reports of alleged wrongdoing (external investigation). OAI investigations follow the procedures established in the UNFPA disciplinary framework (internal investigation), and its internal guidelines.
49. The scope of prevention and detection by OAI of corrupt, fraudulent, collusive, coercive and unethical practices includes (a) examination and evaluation of the adequacy and effectiveness of UNFPA internal controls designed by management and operated by staff to prevent and detect such practices (internal audit); (b) examination of allegations and suspicion of such practices (investigation); and (c) contribution to improving existing mechanisms through recommendations and lessons learned stemming from internal audit and investigation activities.
50. The Director, OAI is appointed by the Executive Director, ensuring the avoidance of conflict of interest, for a fixed term of five years, renewable once. He/she directly reports to the Executive Director. He/she is barred from working for UNFPA thereafter. The Audit Advisory Committee is involved in the selection, intended removal and performance appraisal of the Director, OAI [see paragraph 60 for details].
51. The Director, OAI, participates in ex-officio capacity in senior management meetings of the organization.
52. The Director, OAI, reports on internal audit and investigation activities annually to the Executive Board [see paragraph 25(b) for details].
53. The detailed description of the mandate, responsibilities and authority of OAI, including the relevant professional standards applied to its functions, are set forth in the OAI Charter, which is reviewed by the Audit Advisory Committee prior to being approved by the UNFPA Executive Director. The Charter is shared for information with the Executive Board.

E. Ethics Office

54. The Ethics Advisor has the following functions:
- (a) Formulating, reviewing and disseminating policies, and providing guidance related to ethical issues in accordance with the United Nations Charter, the core values and principles of the United Nations, the Standards of Conduct for the International Civil Service and the relevant decisions of the Executive Board;

- (b) Providing guidance to management to ensure that the organization's policies, procedures and practices reinforce and promote the highest ethical standards;
 - (c) Raising staff awareness within UNFPA on expected ethical standards and behaviour, within the context of the organizational oversight as well as human resources development policies, strategies and programmes;
 - (d) Upon request, providing staff with confidential advice and guidance regarding ethical behaviour and standards;
 - (e) Receiving and reviewing, in accordance with the UNFPA protection against retaliation policy, complaints of retaliation and referring cases to OAI for further investigation when deemed necessary;
 - (f) Taking responsibility for the strategic development and implementation of the financial disclosure programme;
 - (g) Advocating and promoting ethics within UNFPA, in coordination with other UNFPA units as appropriate; and participating in relevant inter-agency fora and facilitating harmonized approaches with other United Nations bodies, specifically the Ethics Panel of the United Nations. In particular, representing UNFPA at the United Nations Ethics Committee chaired by the Director, United Nations Ethics Office, pursuant to ST/SGB/2007/11; and
 - (h) With respect to the appointment of key oversight officers, being the responsible unit within UNFPA to review potential conflict of interest for senior appointees who will perform control functions that are not covered by the appointment vetting processes of the Secretary-General.
55. The Ethics Advisor is appointed by the Executive Director based on demonstrated abilities and experience in the relevant fields and after ensuring that pre-appointment review of conflict of interest is conducted by an independent entity. The Ethics Advisor's term of appointment is limited to five full years, exceptionally renewable once. She/he is barred from working for UNFPA thereafter. The Ethics Advisor reports to the Executive Director of UNFPA, and serves as a member of the Ethics Panel of the United Nations and the Ethics Network of Multilateral Organizations.
56. The Ethics Advisor is included in relevant senior management meetings and decision-making processes.
57. The Ethics Advisor submits an annual report to the Ethics Panel of the United Nations. This report is also provided to the Executive Director and is presented to the Executive Board [see paragraph 25(d)].

F. Audit Advisory Committee

58. The Audit Advisory Committee assists the Executive Director in fulfilling his/her oversight responsibilities.
59. The Audit Advisory Committee is composed of five expert members external to the organization and is established to further enhance accountability and transparency within the organization. Appointed by the Executive Director, the five members of the Audit Advisory Committee assist her/him in fulfilling

the Executive Director's responsibilities for accountability, risk management, internal controls, financial management and reporting and the fiduciary oversight process, including external audit matters.

60. The fiduciary oversight roles and responsibility of the Audit Advisory Committee are set down in its terms of reference approved by the Executive Director. In particular, the Audit Advisory Committee participates in, reviews and advises on the selection and the intended removal of the Director, OAIS, and provides input on the performance of the Director, OAIS. It also reviews and advises the Executive Director on the OAIS Charter.
61. The Chairperson of the Audit Advisory Committee has free and unrestricted access to any entity having oversight or governing function in relation to UNFPA, including the United Nations Board of Auditors [see paragraph 24(c)].
62. Reporting modalities are set forth in paragraph 25(c) of the present policy.

G. Executive Board of UNFPA

63. The oversight roles and responsibility of the Executive Board of UNFPA are established by General Assembly resolutions 48/162 (1993) and 49/128 (1995).
64. The functions of the Executive Board as delineated in the General Assembly resolutions are:
 - (a) To implement the policies formulated by the General Assembly and the coordination and guidance received from the Economic and Social Council;
 - (b) To receive information from and give guidance to the Executive Director of UNFPA on the work of the organization;
 - (c) To ensure that the activities and operational strategies of UNFPA are consistent with the overall policy guidance set forth by the General Assembly and the Economic and Social Council, in accordance with their respective responsibility as set out in the Charter of the United Nations;
 - (d) To monitor the performance of the Fund;
 - (e) To approve programmes, including country programmes, as appropriate;
 - (f) To decide on administrative and financial plans and budgets;
 - (g) To recommend new initiatives to the Economic and Social Council, and, through the Council, to the General Assembly as necessary;
 - (h) To encourage and examine new initiatives;
 - (i) To submit annual reports to the Economic and Social Council at its substantive session that could include recommendations, where appropriate, for improvement of field-level coordination.

H. United Nations Board of Auditors

65. The United Nations Board of Auditors has responsibility for undertaking independent audits of the Fund and certifying the financial statements of UNFPA.
66. The oversight roles and responsibility of the United Nations Board of Auditors are set forth in General Assembly resolution 74 (1) of 7 December 1946 and in the rules and procedures adopted at the 49th regular session of the Board of Auditors (30 June – 1 July 2005), amended at subsequent regular or special sessions as appropriate. The United Nations Board of Auditors mandate and scope are further defined in Article VII and in the annex of the regulations and rules of the United Nations that apply mutatis mutandis to UNFPA as set forth in the UNFPA Financial Rules and Regulations – Article XVIII.
67. The United Nations Board of Auditors conducts independent audits and issues a report to the General Assembly on (a) the audit of the financial statements and relevant schedules relating to the accounts of UNFPA for the financial period; (b) compliance of transactions with the Financial Regulations and legislative authority; and (c) such information as the Board of Auditors deems necessary with regard to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the organization, as well as the status of implementation of audit recommendations.
68. The United Nations Board of Auditors assesses the work of the internal audit function. The United Nations Board of Auditors further coordinates with OAIS in order to avoid duplication of efforts and to determine the extent of reliance that could be placed on the work of the latter.

I. Joint Inspection Unit

69. The oversight roles and responsibility of the Joint Inspection Unit (JIU) are set forth in General Assembly resolutions 2150 (XXI) of 4 November 1966 and 2360 (XXII) of 19 December 1967 and extended thereafter under General Assembly resolutions 2735 (XXV) A of 17 December 1970 and 2924 (XXVII) B of 24 November 1972. By its resolution 31/192 of 22 December 1976, the General Assembly decided to establish the Joint Inspection Unit as a standing subsidiary organ and approved the statute of the unit, with effect from 1 January 1978. In resolutions 60/258, 64/262, 65/270, 66/259, 67/256, the General Assembly has reaffirmed the unique role of the unit as the only external and independent system-wide evaluation, inspection and investigation body.
70. The Executive Director of UNFPA presents annually to the Executive Board a report on the follow-up and the implementation of the JIU recommendations at UNFPA.

VI. PROCEDURES FOR DISCLOSURE OF EVALUATION INFORMATION

71. The procedures and type of information disclosed in relation to the evaluation function are detailed in the relevant paragraphs of the evaluation policy approved by the Executive Board. They will not be further elaborated in this document.

VII. PROCEDURES FOR DISCLOSURE OF INTERNAL AUDIT REPORTS

72. Executive Board decisions 2008/37, 2011/23 and 2012/18 regulate the disclosure of internal audit reports as defined in section I, with different procedures, depending on the date of issuance of the report, as presented in more detail below. The decisions of the Executive Board will not be applied retroactively.
73. Those reports issued prior to the first decision on the matter by the Executive Board, that is, reports issued prior to September 2008, cannot be disclosed.

A. Internal audit reports issued from 19 September 2008 to 30 November 2012

74. The Executive Director may disclose internal audit reports while exercising the greatest extent of discretion and protecting the legitimate rights of programme countries. The following procedures should be adhered to in connection with requests to view internal audit reports by Member States in the context of their oversight responsibility.
75. The disclosure of internal audit reports is undertaken on the understanding of mutual accountability among Member States regarding compliance with the procedures stated in the provisions below, unless, in the view of UNFPA, it would seriously undermine the policy dialogue with Member States or implementing partners. Requests from Member States will only apply to internal audit reports finalized and issued at the time by the Division for Oversight Services.
- (a) Internal audit reports issued after 19 September 2008 until 30 November 2012 may be made available to Member States after notification by the Executive Director to the Executive Board;
 - (b) Requests from a Member State should be addressed in writing to the Executive Director, with copy to the Director, OAIS. It should include the reason and purpose for the request and an affirmation to adhere to the procedures of disclosure as stipulated in the present policy;
 - (c) The Executive Director will forward the requests to the Director, OAIS, who will ascertain that said requests include the reason and purpose of the request and an affirmation to adhere to the procedures of disclosure. If the request does not meet these requirements, the Director, OAIS, will seek further clarification and confirmation from the requesting party;
 - (d) If the request meets the above mentioned requirements, the Director, OAIS, will inform the UNFPA organizational unit dealing with relations with the Executive Board, attaching a copy of the request. The unit will, on behalf of the Executive Director, immediately inform the Executive Board of the request, with a copy thereof. If the requested internal audit report contains findings related to a specific Member State, the Director, OAIS, will immediately inform the Government concerned of such request, and provide said Government with adequate time to view and comment on the report;
 - (e) The Director, OAIS, will review the internal audit report concerned, to determine whether it contains certain information deemed particularly sensitive that relates to third parties or

a country, government, or administration; or could compromise pending action; or where such is likely to endanger the safety and or security of any individual, violate his or her rights or invade his or her privacy. In such cases, taking into account the comments of the concerned Government where appropriate, the Director, OAIS, may, at his/her discretion, redact the internal audit report or, in extraordinary circumstances, withhold the report;

- (f) The report can be consulted by the requestor Member State either in the Office of the Director, OAIS, or remotely. No copies of the internal audit report or any part thereof, irrespective of the utilized media, process or means, shall be made during the consultation;
- (g) Information disclosed shall be kept confidential by the requesting party;
- (h) Internal audit reports are made available for viewing on a voluntary basis and without prejudice to the privileges and immunities of the United Nations, including its subsidiary organs;
- (i) Queries regarding the internal audit report will be directed to the Director, OAIS.

B. Internal audit reports issued between 17 June 2011 and 30 November 2012 pertaining to a given project in which a donor is financially contributing

76. Per decision 2011/23, internal audit reports pertaining to a given project to which a donor intergovernmental organization or the Global Fund to Fight AIDS, Tuberculosis and Malaria has financially contributed, may be disclosed to the concerned donor intergovernmental organization or the Global Fund to Fight AIDS, Tuberculosis and Malaria following the same access procedure as described above, with said donor intergovernmental organization or the Global Fund to Fight AIDS, Tuberculosis and Malaria adhering to the same principles as mentioned previously.

C. Executive summary of internal audit reports issued between 1 July 2012 and 30 November 2012

77. The Director, OAIS, will make publicly available, on the UNFPA website, the executive summaries of all internal audit reports issued from 1 July 2012 to 30 November 2012.
78. Access to the full report can be given according to the procedure described in sub-section A above.

D. Internal audit reports issued after 1 December 2012

79. The Director, OAIS, will make publicly available, on the UNFPA website, all internal audit reports issued after 1 December 2012.
80. Before disclosing an internal audit report that contains findings related to a specific Member State, the Director, OAIS, will provide a copy of the report to the concerned Member State and provide the concerned Member State with adequate time to review and comment on the report. Similarly, where information contained in an internal audit report is deemed by the Executive Director or by the

concerned Member State to be particularly sensitive (relating, inter alia, to third parties or to a country, government or administration); or as compromising pending action; or as being likely to endanger the safety and security of any individual, violate his or her rights or invade his or her privacy, such internal audit report may be redacted or withheld in its entirety at the discretion of the Director, OIAS.

81. The procedures for the disclosure of internal reports will be reviewed periodically as requested by the Executive Board.

VIII. PROCEDURES FOR DISCLOSURE OF INVESTIGATION INFORMATION

82. Investigation reports are not disclosed other than to the Executive Director or the person(s) that he/she may designate.
83. Information on investigation reports issued by OIAS is included, in anonymized format and with financial losses identified, in the report of the Director, OIAS, to the Executive Board. The management response thereto, in the same year or subsequent ones as appropriate, includes information on the manner and amount of recovery of identified losses.
84. Information regarding an ongoing investigation may be provided to the concerned investigative body to the extent that said provision will not, in the opinion of the Director, OIAS, jeopardize the integrity or proper conduct of the investigation, or the due process rights of the persons involved.

IX. AMENDMENT TO THE POLICY

85. The Executive Director is responsible for applying this oversight policy and for recommending amendments, as necessary. Any amendment to the present policy will be subject to the decision of the Executive Board. This policy forms part of the UNFPA Policies and Procedures.

X. APPROVAL OF THE POLICY

86. The present policy takes effect on the day of approval by the Executive Board with no retroactivity.
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