

October 2012



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FINANCE COMMITTEE

Hundred and Forty-sixth Session

Rome, 29 - 30 October 2012

Policy for Disclosure of Oversight Reports

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

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EXECUTIVE SUMMARY

- The Board approved the “Policy for Disclosure of Internal Audit Reports to Member States”¹ in November 2010 and the “Oversight Framework and Reports Disclosure Policy”² in June 2011. During its discussion and approval of the latter document, the Board “requested the Inspector General and management to provide to the Board a review of the concept of inspection within the framework and to present a future update of this policy in 2012”.
- This document clarifies the concept of inspection, proposes the addition of further disclosures to the policies mentioned in the decision, and proposes modifications to the procedure for redacting or withholding reports so that the Inspector General and Director, Oversight Office makes decisions regarding redaction or withholding, consistent with the principles approved by the Board in these policies.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is requested to endorse the “Policy for Disclosure of Oversight Reports” 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 Executive Director’s proposals to revise the “Policy for Disclosure of Internal Audit Reports to Member States” (WFP/EB.2/2010/4-B/1/Rev.1) and the “Oversight Framework and Reports Disclosure Policy” (WFP/EB.A/2011/5-C/1), adding provisions for: i) disclosing inspection reports; ii) disclosing internal audit and inspection reports on the public website; iii) authorizing the Inspector General and Director, Oversight Office to enter into formal agreements for sharing investigation reports on a confidential and reciprocal basis; and iv) authorizing the Inspector General and Director, Oversight Office to redact or withhold reports in accordance with the safeguards set forth in the disclosure policies.**

¹ WFP/EB.2/2010/4-B/1/Rev.1.

² WFP/EB.A/2011/5-C/1.

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**Executive Board
Second Regular Session**

Rome, 12–14 November 2012

POLICY ISSUES

Agenda item 4

For approval

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POLICY FOR DISCLOSURE OF OVERSIGHT REPORTS

This document is printed in a limited number of copies. Executive Board documents are available on WFP's Website (<http://executiveboard.wfp.org>).

NOTE TO THE EXECUTIVE BOARD

This document is submitted to the Executive Board for approval

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

Inspector General and Director, OS*: Mr S. Sharma tel.: 066513-2700

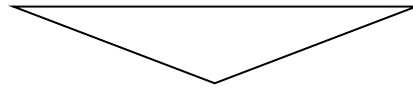
Inspections Officer, OSI**: Ms J. de Groot tel.: 066513-3082

Should you have any questions regarding availability of documentation for the Executive Board, please contact Ms I. Carpitella, Senior Administrative Assistant, Conference Servicing Unit (tel.: 066513-2645).

* Oversight Office

** Office of Inspections and Investigations

DRAFT DECISION*



The Board approves the Executive Director's proposals to revise the "Policy for Disclosure of Internal Audit Reports to Member States" (WFP/EB.2/2010/4-B/1/Rev.1) and the "Oversight Framework and Reports Disclosure Policy" (WFP/EB.A/2011/5-C/1), adding provisions for: i) disclosing inspection reports; ii) disclosing internal audit and inspection reports on the public website; iii) authorizing the Inspector General and Director, Oversight Office to enter into formal agreements for sharing investigation reports on a confidential and reciprocal basis; and iv) authorizing the Inspector General and Director, Oversight Office to redact or withhold reports in accordance with the safeguards set forth in the Disclosure Policies.

* 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.

BACKGROUND

1. The Board approved the “Policy for Disclosure of Internal Audit Reports to Member States”¹ in November 2010 and the “Oversight Framework and Reports Disclosure Policy”² in June 2011. During its discussion and approval of the latter document, the Board “requested the Inspector General and management to provide to the Board a review of the concept of inspection within the framework and to present a future update of this policy in 2012”.
2. This document clarifies the concept of inspection, proposes the addition of further disclosures to the policies mentioned in the decision, and proposes modifications to the procedure for redacting or withholding reports so that the Inspector General and Director, Oversight Office makes decisions regarding redaction or withholding, consistent with the principles approved by the Board in these policies.

Functions of the WFP Oversight Office

3. The mission of the Oversight Office is to provide assurance to the Executive Director on governance, policy, risk, resources, operations and accountability through independent and objective oversight services (Charter of the Oversight Office, paragraph 2).³ The oversight services provided by the Oversight Office include internal auditing, investigations, inspections and advisory services. The scope of work includes all systems, processes, operations and activities undertaken by WFP (Charter of the Oversight Office, paragraph 15).
4. The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the entirety of WFP’s internal control, governance and risk management processes as well as the quality of performance in carrying out assigned responsibilities to achieve WFP’s stated goals and objectives (Charter of the Oversight Office, paragraph 18).
5. The scope of investigations encompasses a legally based and analytical process designed to gather information in order to determine whether a wrongdoing has occurred and, if so, the persons or entities responsible. Investigations are conducted in response to allegations of violations of rules, regulations, policies, standards and other issuances (Charter of the Oversight Office, paragraph 19).
6. An inspection undertaken by the Oversight Office is a review of an organizational unit, a system, process or practice perceived to be of potential risk, outside the context of its audit plan or any specific allegation, with the objective of identifying possible improvements to systems and processes.
7. The scope of inspections encompasses the provision of objective information to management about field offices, units in Headquarters and processes, in order to assist management in ensuring optimal use of resources and compliance with regulatory instruments and Executive Board decisions, to facilitate accountability and ensure effective

¹ WFP/EB.2/2010/4-B/1/Rev.1.

² WFP/EB.A/2011/5-C/1.

³ The charter can be found as Annex I of the “Annual Report of the WFP Inspector General” (WFP/EB.A/2012/6-E/1).

monitoring systems, and to recommend actions to promote effectiveness, efficiency and integrity (Charter of the Oversight Office, paragraph 20).

8. The Director of the Oversight Office is responsible for issuing reports on the results of audit, investigation and inspection work as soon as practicable after the audit, investigation, or inspection work has been completed (Charter of the Oversight Office, paragraph 17).

Disclosure of Oversight Reports

9. The disclosure policies provide Permanent Representatives accredited to the United Nations Rome-based agencies with the possibility to request copies of internal audit and investigation reports, taking into account the requirements stipulated in the policy. A list of reports issued is published every year. The disclosure policies specify the following:
 - The Executive Director will make specific audit or investigation reports, once issued in final format, available to Permanent Representatives on request in writing for a specific report. This policy applies to reports issued subsequent to its approval by the Board.
 - Where disclosure of the contents of an audit or investigation report would be inappropriate for reasons of confidentiality, or where it could place in jeopardy the safety and security of any individual, or run the risk of violating the due process rights of individuals, the report may be redacted or, in extraordinary circumstances, withheld at the discretion of the Executive Director or the Inspector General and Director, Oversight Office, who shall provide the reasons for such action to the requesting Permanent Representative.
 - Where the audit or investigation report contains findings related to a specific State, the Executive Director shall provide a copy of the report to the Permanent Representative of that State. If that Permanent Representative wishes to provide comments to the report in writing, those comments will be made available to the Permanent Representative requesting the report.
10. The inclusion of three further provisions to the disclosure policies is proposed to the Board for approval. Annex A reflects the consolidated policy for disclosure of oversight reports:
 - disclosure of internal audit reports to the general public, through placement of the reports on the public website one month after their submission to the Executive Director;
 - disclosure of inspection reports to the general public, through placement of the reports on the public website one month after their submission to the Executive Director; and
 - authorization of the Inspector General and Director, Oversight Office to enter into formal agreements with counterparts in member nations and public international organizations for sharing investigation reports on a confidential and reciprocal basis in cases where WFP and these organizations share a common interest in the subject of the report.
11. In addition, modifications to the disclosure policies are proposed, authorizing the Inspector General and Director, Oversight Office to make decisions regarding the redaction or withholding of reports, consistent with the principles approved by the Board in the disclosure policies.

12. Advisory services and other correspondence are considered internal working documents and are therefore not available to parties outside the WFP Secretariat.

Safeguards and Opportunity to Comment

13. In keeping with the disclosure policies, before placement on the public website or provision to a Permanent Representative, all reports will be reviewed to ensure that they contain no information deemed too sensitive, as described in the disclosure policies. Where disclosure of the contents of a report would be inappropriate for reasons of confidentiality, or where it could place in jeopardy the safety and security of any individual, or run the risk of violating the rights of individuals, the report may be redacted or withheld at the discretion of the Inspector General and Director, Oversight Office. Reasons for redacting or withholding a report will be disclosed on the public website or to the Permanent Representative, as applicable.
14. Where a report contains findings related to a specific State, the Executive Director shall provide a copy of the report to the Permanent Representative of that State. If that Permanent Representative wishes to provide comments to the report in writing, those comments, if applicable, will be made available on the website or to the Permanent Representative requesting the report. The comments will be reviewed to ensure that they contain no information deemed too sensitive, as described in the disclosure policies, and may be redacted or withheld at the discretion of the Inspector General and Director, Oversight Office. Reasons for redacting or withholding comments will be disclosed on the public website or to the Permanent Representative, as applicable.

Quality Control

15. To ensure that oversight reports maintain their purpose as a high-quality management tool while also providing information to Member States, stakeholders and the public at large, the following steps will be taken:
 - Oversight activities are performed in compliance with the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditors, and the Uniform Principles and Guidelines for Investigations adopted by the Conference of International Investigators.
 - All reports are subject to an internal quality assurance process, including peer review.
 - The Inspector General and Director, Oversight Office confirms annually to the Board the operational independence of the Oversight Office, through the annual report of the Inspector General.
 - The Oversight Office follows a process of discussing draft audit and inspection reports with management prior to finalization, to allow for making any factual corrections, to put findings into the proper context, to clarify outstanding issues, and to involve clients in discussing areas of contention and finding solutions. Adequate time will be devoted to these discussions.
 - As internal audit and inspection reports will be placed on the website one month after their submission to the Executive Director, senior management will have the opportunity to initiate any corrective action necessary and prepare for queries that might be addressed to WFP.

CONCLUSION

16. This document proposes revisions to the “Policy for Disclosure of Internal Audit Reports to Member States”¹ approved by the Board in November 2010 and the “Oversight Framework and Reports Disclosure Policy”² approved by the Board in June 2011, by including inspection reports, making public the disclosure of internal audit and inspection reports, authorizing the Inspector General to enter into agreements to share investigation reports on a reciprocal basis, and authorizing the Inspector General to make decisions on redaction and/or withholding of a report as per the policy. The consolidated “Policy for Disclosure of Oversight Reports” is provided in Annex A.

ANNEX A**POLICY FOR DISCLOSURE OF OVERSIGHT REPORTS**

1. WFP affirms its commitment to transparency and accountability in all its activities and decision-making.
2. Internal audit and inspection reports will be placed on the public website one month after their submission to the Executive Director.
3. Permanent Representatives accredited to the United Nations Rome-based agencies may request investigation reports.
4. The Inspector General and Director, Oversight Office may enter into formal agreements with his/her counterparts in member nations and public international organizations to share investigation reports on a confidential and reciprocal basis.
5. Permanent Representatives and public international organizations shall treat any investigation report received under this policy as confidential.
6. Where disclosure of the contents of a report would be inappropriate for reasons of confidentiality, or where it could place in jeopardy the safety and security of any individual, or run the risk of violating the rights of individuals, the report may be redacted or withheld at the discretion of the Inspector General and Director, Oversight Office.
7. Reasons for redacting or withholding a report will be disclosed on the public website or to the Permanent Representative, as applicable.
8. Where a report contains findings related to a specific State, the Executive Director shall provide a copy of the report to the Permanent Representative of that State. If that Permanent Representative wishes to provide comments to the report in writing, those comments, if applicable, will be made available on the website or to the Permanent Representative requesting the report. The comments will be reviewed to ensure that they contain no information deemed too sensitive, as described in the policy, and may be redacted or withheld at the discretion of the Inspector General and Director, Oversight Office. Reasons for redacting or withholding comments will be disclosed on the public website or to the Permanent Representative, as applicable.
9. This policy shall apply to reports issued subsequent to its approval by the Board.