CHAPTER: I - ORGANIZATION

SECTION: 107 - OFFICE OF THE DIRECTOR-GENERAL

MANUAL

Appendix A

CHARTER FOR THE OFFICE OF THE INSPECTOR GENERAL

I. Mission

1. The Office of the Inspector General provides oversight of the programmes and operations of the Organization, through internal audit and investigation.

2. The Office of the Inspector General has responsibility for monitoring and evaluating the adequacy and effectiveness of the Organization's system of internal control, financial management and use of assets. The Office provides the Director-General and the functions and programmes audited with independent, objective assurance and consulting services designed to add value and improve the Organization's operations. It helps the Organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and internal governance processes.

3. The Office of the Inspector General has been vested with the authority to investigate allegations of irregularities in the programmes and operations of the Organization as defined under Paragraph 7 of this Charter. The Office informs the Director-General and Senior Management of lessons learned, and promotes policies and activities that enhance the integrity of FAO’s operations.

II. Scope of the Work

4. The Office of the Inspector General and the unit dealing with evaluation, together, provide comprehensive internal oversight coverage of the Organization. The External Auditor, with whom the Office of the Inspector General cooperates, provides complementary external oversight.

A. AUDIT

5. The Office of the Inspector General determines whether the Organization's network of risk management, control and internal governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

   - risks are appropriately identified and managed;
   - interaction with the various governance groups occurs as needed;
   - significant financial, managerial and operational information is accurate, reliable and timely;
   - employee actions comply with the legal and regulatory framework including applicable policies, standards and procedures - especially, with respect to the receipt, custody and disbursement of funds and other resources of the Organization and conformity with the appropriations or other financial provisions voted by the Conference;
   - the Organization acquires its resources economically, uses them efficiently, and protects them adequately;
   - programmes, plans and objectives are achieved;
   - quality and continuous improvement are fostered in the Organization’s control process; and
   - significant legislative or regulatory issues impacting the Organization are recognized and addressed properly.

6. Opportunities for improving management control, profitability, and the Organization’s image may be identified during audits. They will be communicated to the appropriate level of management.
B. INVESTIGATION

7. The investigation unit of the Office of the Inspector General:
   - investigates allegations of violations of FAO’s regulations, rules (including the Standards of Conduct for the International Civil Service) and administrative provisions related thereto, i.e., fraud and unsatisfactory conduct by staff, as well as fraudulent and corrupt activities by third parties involved in programmes and operations of the Organization, in a professional manner with impartiality and fairness and ensures that results are transmitted to the appropriate office;
   - reviews investigative findings to identify trends related to fraud and misconduct and weaknesses in the internal control environment;
   - promotes the implementation of mechanisms, practices, regulations and policies that encourage an ethical working environment, enhance the integrity of FAO’s operations and prevent the recurrence of misconduct and fraudulent activity;
   - ensures that FAO staff and other relevant parties receive training that incorporates the lessons learned from investigative findings and encourages awareness of regulations and policies that promote integrity and prevent fraud and misconduct; and
   - coordinates with other international organizations to increase cooperation in combating fraud, and developing integrity programmes and strategies.
   - Please click here for the GUIDELINES FOR INTERNAL ADMINISTRATIVE INVESTIGATIONS BY THE OFFICE OF THE INSPECTOR-GENERAL issued in AC2011/04 on 9 February 2011.

III. Authority

8. The Office of the Inspector General shall have, in accordance with applicable practice standards, full, free and prompt access to all accounts, records, electronic data, property, personnel, operations and functions within the Organization and to the Audit Committee. Staff at all levels shall cooperate fully in making available any relevant material or information requested during the course of a review.

9. The Office of the Inspector General is authorized to communicate directly with all levels of staff and management in order to discharge its responsibilities. The Inspector General shall be advised of any breakdown of the Organization’s financial control system.

10. The Office of the Inspector General shall allocate assigned resources, set frequencies, select subjects, determine scope of work and apply those techniques required to accomplish its objectives in accordance with a formal plan of work which has received the concurrence of the Director-General.

11. Staff of the Office of the Inspector General shall not have operational responsibilities for activities subject to audit by that Office. Specifically, they shall not:
   - perform any operational duties for the Organization;
   - initiate or approve transactions external to the Office of the Inspector General; or
   - direct the activities of any staff member external to the Office of the Inspector General, except to the extent that such staff members have been appropriately assigned to auditing teams or to otherwise assist the Office of the Inspector General.

12. The Office of the Inspector General shall be available to receive complaints or information concerning the possible existence of fraud, waste, abuse of authority or other misconduct by FAO staff and non-staff personnel, as well as allegations of fraudulent activity by third parties participating in FAO activities and programmes. Complainants will be provided confidentiality and no reprisals shall be taken against staff members providing such information, unless it is determined that the information was provided with the knowledge that it was false or with the intent to misinform.

IV. Accountability and Independence

13. The Director-General shall appoint a technically and professionally qualified individual as Inspector General after consultation with the Finance Committee. Likewise, the Director-General shall consult with the Finance Committee before the termination of the incumbent of that Office.
14. To provide for the independence of the Office of the Inspector General, its staff report to the Inspector General, who reports directly to the Director-General.

15. At the discretion of the Inspector General, any audit report or any other issue may be submitted to the Finance Committee together with the Director-General's comments thereon and be made available to other interested member states.

V. Responsibility

16. The Inspector General has responsibility to:
   - maintain an adequate professional audit and investigation staff with sufficient knowledge, skills and experience to meet the requirements of the Charter;
   - develop a flexible biennial audit plan using appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Audit Committee for review and to the Director-General for concurrence;
   - implement the biennial audit plan, and, as appropriate, carry out any special tasks or projects;
   - establish a quality assurance programme by which the Inspector General assures the operation of internal auditing activities;
   - perform consulting services, beyond internal audit's assurance services, to assist management in meeting its objectives. Examples may include process design and advisory services;
   - issue periodic reports to the Audit Committee and Director-General summarizing results of audit and investigative activities;
   - keep the Audit Committee informed of emerging trends and successful practices in internal auditing and investigations;
   - provide a list of significant measurement goals and results to the Audit Committee;
   - consider the scope of work of the external auditors, as appropriate, for the purpose of providing optimal audit coverage to the Organization at a reasonable overall cost;
   - maintain secure mechanisms to allow individuals to submit confidential allegations of potential fraud and misconduct in FAO’s programmes and operations;
   - maintain the security and confidentiality of all information and documentary and physical evidence related to investigations;
   - provide confidentiality of the identity of the individuals and any information that could lead to their identification where there is a reason to believe that individuals may be at risk, unless it is determined that the information was wilfully provided with the knowledge that it was false or with intent to misinform;
   - investigate alleged reprisals taken against staff members who cooperate with investigations; and
   - submit investigative findings to appropriate bodies for decision and disseminate lessons learnt.

VI. Communication of results

A. AUDIT

17. The Office of the Inspector General shall report the results of its audit work and make recommendations to management for action with a copy to the Director-General and the External Auditor. All audit reports shall be available to the Audit Committee.

18. The Director-General shall ensure that all recommendations from the Inspector General are responded to by the responsible functional unit and implemented as deemed appropriate.

B. INVESTIGATION

19. The Office of the Inspector General shall report the results of its investigative work to the appropriate office as designated by the Director-General and make recommendations to management for action.

20. The Office of the Inspector General shall report annually to the Director General and to the Audit Committee on the status of the organizational response to the results of investigative work.
C. ANNUAL REPORTING

21. The Inspector General shall submit a summary report annually to the Director-General with a copy to the External Auditor on the activities of the Office of the Inspector General, including the orientation and scope of such activities as well as comments on the implementation status of recommendations. This report shall be simultaneously submitted to the Finance Committee together with any further comments deemed necessary and be made available to other interested member states.

VII. Practice Standards

22. The Office of the Inspector General shall meet or exceed the standards for the professional practice of internal auditing (including the Code of Ethics) adopted by the Audit and Oversight Services of the United Nations and Specialized Agencies.

23. Investigations shall be conducted in accordance with the applicable FAO regulations, rules, and other administrative provisions, as well as the internationally accepted Guidelines for Investigations endorsed by the investigative offices of international organizations and multilateral financial institutions.