

# CHARTER OF THE INTERNAL OVERSIGHT OFFICE (IOO)

## VISION

1. The vision of IOO is to provide a high level and integrated internal oversight office that meets the expectations of WMO stakeholders and adheres to the professional standards adopted by the United Nations for its services. In this way, IOO seeks to be regarded as a business partner and a trusted advisor, recognized as a driving force behind a culture of governance, accountability, compliance and execution that helps in the achievement of the organization's objectives.

## MISSION

2. The mission of IOO is to deliver an independent assessment of financial, regulatory, and operational risks and control effectiveness to both the Executive Council and the organization's management. IOO will provide control expertise to minimize risks, improve process quality, and enhance operational effectiveness in furtherance of WMO business goals.

## INTRODUCTION

3. The overall framework of internal oversight activities as mandated by the World Meteorological Congress is contained in Financial Regulations 13.7-13.10.
4. This charter constitutes the framework for Internal Oversight Office of WMO activities established in accordance with WMO Staff Regulations and Rules as well as its Financial Regulations and Rules to provide for an independent verification of administrative, financial and operational activities of WMO.
5. The consolidated internal oversight mechanism provided by IOO comprises three pillars of activity: internal audit; investigations; and independent evaluations.

## PERFORMANCE STANDARDS AND DEFINITIONS

### Pillar 1: Internal Auditing

6. Internal Auditing is an independent, objective assurance and consulting 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 evaluate and improve the effectiveness of risk management, control, and governance processes.
7. Internal Auditing within IOO is carried out in conformity to the International Professional Practices Framework of the Institute of Internal Auditors (IIA), which includes the Internal Auditing Standards and Code of Ethics. This mandatory guidance constitutes the framework within which IOO practice of internal auditing is pursued and the standard by which IOO performance effectiveness is evaluated.
8. Assurance activities include, compliance audits, performance audits (value-for-money audit), financial audits, Information Technology Audits, and continuous audits.

### Pillar 2 Evaluation and Inspection

9. Evaluations in WMO are carried out in accordance with the standards developed and adopted by the United Nations Evaluations Group (UNEG).
10. An evaluation and inspection are a systematic assessment, of a project, programme, strategy, policy, topic, theme, sector, operational area or other institutional performance activity.
11. This process of review focuses on expected and achieved accomplishments, examining the results chain, processes, contextual factors and causality, in order to understand achievements or the lack thereof. It aims at determining the relevance, impact, effectiveness, efficiency and sustainability of the interventions and contributions of the WMO. An evaluation should

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provide evidence-based information that is credible, reliable and useful, enabling the timely incorporation of findings, recommendations and lessons into the decision-making processes of the organizations

12. The purposes of the inspections and evaluation are to promote accountability and learning. Inspections and evaluation aim to understand why — and to what extent — intended and unintended results were achieved and to analyze the implications of the results.

### **Pillar 3: Investigation**

13. Investigation is part of the process by which greater transparency and accountability are fostered within the Organization. The investigation is both legally based and analytic process designed to gather information in order to protect the human and financial resources of WMO. Investigations activities relate to allegations of misconduct by staff covering areas such as fraud, corruption, sexual exploitation and abuse and other misconduct in the workplace as defined in the staff rules and financial rules.
14. Investigations in WMO are carried out in accordance with the Uniform Principles and Guidelines for Investigations adopted by the “Conference of International Investigators”.

### **SCOPE OF WORK**

15. IOO activities cover all regular budget, extra-budgetary activities, processes, IT systems and the personnel of the WMO Secretariat.
16. IOO, upon request, may provide its services to the entities hosted by WMO including Intergovernmental Panel on Climate Change (IPCC) and Global Earth Observations (GEO) Secretariat based upon agreed terms of reference.
17. IOO seeks to determine whether WMO's network of risk management, control, and governance processes, as designed and represented by the Secretary-General, is adequate and functioning in a manner to ensure that, in compliance with the financial regulations:
  - Risks, including risk related to information technology processes and systems, are appropriately identified and managed;
  - Interaction with the various governance groups within the Secretariat occurs as needed;
  - Significant financial, managerial, and operating information is timely, complete and accurate;
  - Secretariat staff actions are in compliance with WMO policies, standards, procedures, and applicable laws and regulations;
  - Resources are used economically, effectively, and efficiently, and adequately protected;
  - The results of operations or programs are consistent with established goals and objectives;
  - Lessons are learned, disseminated and fed back into subsequent policy development, programme and project planning;
  - Quality and continuous improvement are fostered in WMO's control process; and
  - Significant legislative or regulatory issues impacting WMO are recognized and addressed properly.
18. Opportunities for improving management control and cost savings may be identified during internal oversight work. They will be communicated to the appropriate level of management, as deemed necessary. In providing advisory services, IOO seeks to add value by improving WMO's programme efficiency, delivery and operations. The independent evaluation function is an integral part of the internal oversight services provided by IOO, in addition of internal auditing, performance (value-for-money) audits, inspections and investigations.

19. Internal oversight work shall apply to all funds, programmes and projects under the responsibility of the Secretary-General. All systems including Information Technology, processes, operations, functions and activities within the WMO Secretariat are subject to IOO's review, evaluation and oversight.

## **INDEPENDENCE**

20. To provide for the independence of IOO, its personnel report to the Director/IOO, who reports administratively and functionally to the Secretary-General. IOO will include as part of its reports to the Secretary-General and the Audit and Oversight Committee a regular report on IOO personnel and resources.
21. The Director, IOO shall report any significant impairment to independence and objectivity, including conflicts of interest, for due consideration of the Audit and Oversight Committee.
22. To support the operational independence of IOO, the allocation of resources to IOO shall be clearly identified in the budget proposals.
23. In order to preserve independence so that IOO staff can carry out internal oversight work objectively and render impartial judgments, IOO staff shall have no managerial authority over, or responsibility for, any of the activities they audit, investigate, or evaluate and shall not perform any other operational functions for WMO.
24. The Director/IOO and staff of IOO are therefore not authorized to:
  - Perform any operational duties for WMO or its affiliates;
  - Perform Internal Audits in any area that they have had a management role in the preceding two years;
  - Initiate or approve accounting transactions external to IOO; and
  - Direct the activities of any WMO staff not officially supervised by IOO.
25. IOO staff will adhere to principles of integrity, objectivity, confidentiality and competence contained in the IIA's Code of Ethics. D/IOO will confirm the independence of the internal audit activity to the Audit and Oversight Committee and Executive Council every year.
26. Notwithstanding the foregoing, where allegations of misconduct concern the staff of IOO, the Director of IOO shall inform and seek the advice of the Audit and Oversight Committee (AOC) on how to proceed.
27. Allegations of misconduct against the Director of IOO shall be reported to the Secretary General, who shall inform the President of the EC and chair of the AOC and may, in consultation with them, decide to refer the matter to an independent external investigative authority.
28. The appointment and separation of head IOO is subject to consultation and approval of the President of WMO in accordance with the Financial Regulations and Rules. The Audit and Oversight Committee reviews and advises on the appointment, performance evaluation and termination of Director of IOO.

## **RESPONSIBILITY**

29. The Director/IOO, in the discharge of his/her duties, shall be accountable to the Secretary General and the WMO AOC ("the Audit and Oversight Committee"). D/IOO shall:
  - Provide annually an assessment on the adequacy and effectiveness of the Secretariat's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work;
  - Report significant issues related to the processes for controlling the activities of the WMO Secretariat, including potential improvements to such processes;
  - Provide information periodically on the status and results of the annual Plan of Work of IOO and the sufficiency of IOO resources; and

- Coordinate with and/or provide oversight of other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, external audit).

30. The Director/IOO has responsibility to:

- Develop a flexible annual Plan of Work using appropriate risk-based methodology, which takes into account any risks or control concerns identified by management, the Secretary General and governing/oversight bodies, and submit that Plan to the Audit and Oversight Committee and Secretary-General.;
- IOO's risk based plan of work will be discussed and approved by the Audit and Oversight Committee.
- Implement the annual Plan of Work, as approved, including, and as appropriate, any special tasks or projects requested by the Secretary-General, management and the Audit and Oversight Committee, i.e., work not previously scheduled in the Plan;
- Inform the Audit and Oversight Committee of any changes to the approved annual Plan of Work;
- Maintain a professional internal oversight staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter; and establish an annual training programme aligned to the annual plan of work, in order to assess the adequateness of the professional skills required for its implementation;
- Establish a quality assurance programme by which the Director/IOO assures the operation of internal oversight activities, and in particular, its internal auditing and evaluation services;
- D/IOO should carry out a regular assessment of compliance with the IIA Standards at least every two years.
- Perform consulting services, beyond internal auditing's assurance services, to assist management in meeting its objectives. Examples may include facilitation, process design, training, and advisory services. Management will request for such services only in for a matter of urgency Management will request for such services only in for a matter of urgency and objectives of the engagement should be clearly defined including measures to safeguard IOO's independence.;
- Evaluate and assess, as requested, significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion;
- Investigate all allegations or presumptions of fraud, waste, mismanagement or misconduct, or significant suspected fraudulent activities within WMO and notify the Secretary-General, appropriate WMO management and the Audit and Oversight Committee of the results;
- Coordinate or support work under the framework on programme evaluation;
- Consider the scope of work of the External Auditor and other oversight bodies, as appropriate, for the purpose of providing optimal internal oversight coverage to WMO at a reasonable overall cost; and
- Liaise and fully cooperate with the internal audit and, more generally, oversight services of the United Nations System and represent WMO in the relevant interagency meetings.

#### **AUTHORITY**

31. The Director/IOO and staff of IOO, as instructed by the Director/IOO, are authorized to:

- Have unrestricted, full, free and prompt access to all records, property, premises, personnel (holding any WMO contractual status), and functions within the WMO

Secretariat and its implementing partners which, in the opinion of IOO, are relevant to the subject matter under review;

- Communicate directly with all levels of staff and management in order to discharge its responsibilities. The Director/IOO shall be advised of any breakdown of WMO's risk management, control and governance processes;
- Receive directly from individual staff members complaints or information concerning the possible existence of fraud, waste, mismanagement or misconduct, or other irregular activities and practices relevant to the mandate of IOO. Confidentiality shall be respected at all times and no reprisals shall be taken against staff members providing such information, unless it is determined that this was willfully provided with the knowledge that it was false or with intent to misinform. (This shall also take into account any whistleblowing protection rights afforded to staff through a WMO policy.);
- Have full and free access to the Audit and Oversight Committee;
- Allocate resources within allocated budget, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish IOO objectives; and
- Obtain the necessary assistance of personnel in units of the WMO Secretariat where IOO performs internal oversight work, in consultation with the responsible management, as well as other specialized services from within or outside the Organization.

## REPORTING

32. IOO shall report the results of its work and make recommendations to the Secretary-General with a copy to responsible managers for action and the External Auditor.
33. At the request of the Director/IOO, any such report shall be submitted to the Executive Council together with the Secretary-General's comments thereon. IOO reports shall incorporate the comments of the managers concerned as appropriate, as well as an action plan proposed by the responsible managers to address observations and recommendations in the reports. Management responses should include complete information on actions taken in regard to each oversight recommendation. These responses should be forwarded to the Director/IOO, who will periodically follow-up on implementation according to an appropriate protocol. The Secretary-General is responsible for ensuring that oversight recommendations are responded to and implemented, as appropriate. This should include but is not limited to recommendations issued by IOO and the External Auditor. IOO shall issue internal oversight communications to the concerned managers for matters of a routine nature, which do not necessitate formal reporting. Record of these communications shall be made available to the External Auditor upon demand.
34. IOO reports are disclosed to the members of the Executive Council (EC), representatives of Member states and other stakeholders in accordance with the disclosure policy approved by the EC.
35. IOO shall issue periodic reports to the Secretary-General and the Audit and Oversight Committee summarizing results of IOO activities. IOO shall keep the Secretary-General and the Audit and Oversight Committee informed of emerging trends and successful practices in internal auditing, investigations, inspections, evaluation and monitoring activities. These reports should also provide a list of significant measurement goals for IOO and results. The Audit and Oversight Committee shall have access to IOO work and its reports, as well as access for discussions with IOO. General reports of the Director/IOO could be submitted either through the Secretary General or to the Secretary-General and the Audit and Oversight Committee simultaneously. In either case, the Secretary-General will submit his own comments to the Audit and Oversight Committee on the IOO reports.

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36. An annual accountability report shall be provided by the Director/IOO to the Secretary-General summarizing significant oversight findings, recommendations and actions taken in response; and including a status report on the internal control environment of WMO. This annual accountability report should be made available unchanged by the Secretary-General, and with the Secretary General's comments, to the Executive Council and to the Congress in years when it is in session.

**AMENDMENT OF IOO CHARTER**

37. The Director/IOO is responsible for applying this Charter and for keeping it up to date. The Director/IOO will review the charter at least once every year and propose changes, if any, to the AOC for its review and recommendations. Amendment of this Charter is subject to the approval of the Secretary-General after taking advice from the Audit and Oversight Committee.

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