1 Purpose

1.1 This Charter defines the Internal Audit Service’s (IAS) purpose, authority, core principles and responsibility and is an integral part of the Charter of the Independent Evaluation, Audit and Investigation Services.

1.2 The UN-Women Executive Board establishes Financial Regulations and Rules to govern the management of UN-Women funds. IAS was established by the Executive Director under the Financial Regulations and Rules to be responsible for internal audit services in UN-Women.

2 Application

2.1 The Charter applies to all personnel.

3 Definitions

3.1 For the purposes of the Charter, the terms referred to herein have the following meanings:
“Advisory Committee on Oversight (ACO)” is a committee governed by its own terms of reference; is made up of five independent external professionals; and provides the Executive Director of UN-Women with independent, external advice based on good practice regarding the organization’s accountability framework and systems, including risk management.

“Institute of Internal Auditors, Inc. (IIA)” is an international professional association and recognized authority for internal audit.

“International Professional Practices Framework (IPPF)” is the conceptual framework that organizes authoritative guidance promulgated by the IIA. It includes the Mission of Internal Audit, Mandatory Guidance and Recommended Guidance.

“International Standards for the Professional Practice of Internal Auditing (the Standards)” is part of the Mandatory Guidance of the IIA IPPF. The Standards provide a framework for performing and promoting internal auditing.

“Personnel” is a term that means staff members and persons engaged by UN-Women to perform services for UN-Women whose contractual relationships are not governed by letters of appointment subject to the Staff Regulations and Rules of the United Nations, including independent contractors (e.g., service contract holders, personnel services agreement holders and consultants), personnel engaged on a Non-Reimbursable Loan Agreement, United Nations Volunteers, fellows and interns.

4 Roles and responsibilities

4.1 As Chief Audit Executive, the Director, IEAIS, supported by the Chief, IAS, has overall responsibility for implementing the IAS Charter.

4.2 In addition to the overall responsibilities as set out in the IEAIS Charter, as it relates to IAS, the Director, IEIAS is responsible for:

a) Assigning authority to IAS personnel to carry out internal audit work but cannot delegate responsibility for achieving IAS’ purpose and mission.
b) Submitting a risk-based\textsuperscript{1} internal audit plan for review and approval, at least annually, to the Executive Director, upon consultation with the ACO and the Executive Board.

c) Communicating the impact of resource limitations on the internal audit plan, and any significant changes to the internal audit plan to the Executive Director, ACO and the Executive Board.

d) Reviewing and adjusting the risk-based internal audit plan, as necessary, in response to changes in UN-Women’s business, risks, operations, programmes, systems and controls.

e) Ensuring each engagement in the internal audit plan is executed, including the establishment of objectives and scope; the assignment of appropriate and adequately supervised resources; the documentation of work programmes and testing results; and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.

f) Following up on engagement findings and corrective actions, and periodically reporting any corrective actions not effectively implemented to the Executive Director, ACO and the Executive Board. The management of relevant functional units are responsible for responding to recommendations from internal audits and for implementing agreed actions as deemed appropriate.

g) Ensuring internal audit trends and emerging audit issues that could impact UN-Women are considered and taken into consideration and communicated to the Executive Director, ACO and the Executive Board as appropriate.

h) Ensuring adherence to UN-Women’s relevant policies and procedures, unless such policies and procedures conflict with this Charter. Any such conflicts will be resolved or otherwise communicated to the Executive Director, ACO and the Executive Board.

i) Ensuring IAS conformance with the IIA Code of Ethics and Standards, and that action plans are developed to address any significant conformance issues.

j) Selecting and maintaining a cadre of internal audit personnel with sufficient knowledge, skills, experience and professional certifications to fulfil the internal audit mission envisaged in this Charter.

k) Engaging consultants and subject matter experts as necessary for the performance of the functions under this Charter.

l) Confirming, at least annually, IAS’ organizational independence and disclosing any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results to the ACO and Executive Board.

m) Periodically communicating IAS activities to the ACO and Executive Director, including: periodic assessment of whether IAS’s mission, responsibility and authority, as defined in

\textsuperscript{1} In preparing the annual audit workplan, IAS shall consult with UN-Women management, the United Nations Board of Auditors and, where appropriate, other stakeholders, including due consideration for the corporate and strategic risks identified through the Enterprise Risk Management framework. IAS shall apply a risk-based methodology, including risks and concerns identified by management to identify and prioritize engagements to be undertaken during the year.
its Charter, continue to be adequate to accomplish its purpose; conformance of internal audit activity with the definition of Internal Auditing and the Standards; an assessment of whether internal auditors apply the Code of Ethics; efficiency and effectiveness of the internal audit activity and identification of opportunities for improvement; and results of ongoing internal and external quality assessments, conducted at least once every five years.

n) Submitting an annual and periodic summary report of IAS activities, including a summary of significant audit findings; implementation status of recommendations; and confirmation of the organizational independence of IAS activities, to the UN-Women Executive Board and ACO.

o) Expressing an annual assurance opinion on the adequacy and effectiveness of governance, risk management and control in achieving UN-Women’s objectives based on the audits issued during the reporting period.

4.3 The IAS budget shall be approved by the Executive Director on the basis of a request submitted by the Director, IEAIS in accordance with the IEAIS strategy and annual workplan, after review and advice from the ACO.

5 Policy

IAS purpose and mission

5.1 The purpose of IAS is to provide the Executive Director and Executive Board with independent, objective assurance and advisory services (as defined in the Financial Regulations and Rules, and in the Charter of the Independent Evaluation Audit and Investigation Services) that are designed to add value and improve UN-Women’s operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice and insight. IAS helps UN-Women accomplish its objectives by bringing a systematic, disciplined approach to assess and improve the adequacy and effectiveness of governance, risk management and control processes.

5.2 As requested by the Executive Board in its decision UNW/2015/4, IAS is required to assess and report to the Executive Board: (a) an opinion, based on the scope of work undertaken, on the adequacy and effectiveness of the Entity’s framework of governance, risk management and controls; (b) a concise summary of work and the criteria that support the opinion; (c) a statement of conformance with the internal audit standards being adhered to; and (d) a view on whether resourcing of the function is appropriate, sufficient and effectively deployed to achieve the desired internal audit and investigation coverage.

Authority of IAS

5.3 IAS shall be the sole UN-Women entity to perform, manage and or authorize others to perform or manage internal audits, unless otherwise directed by the Executive Director and advised by the ACO.
5.4 The internal audits, reviews, appraisals and advisory engagements provided by IAS do not in any way substitute or relieve UN-Women management of the responsibilities assigned to management for governance, risk management and internal controls.

5.5 With strict accountability for confidentiality and safeguarding records and information, and subject to any applicable restrictions related to protected information, IAS shall have full, free and unrestricted access to the premises, records, documents, electronic data and any other information relating to vendors, implementing partners and/or other third parties that have contractual arrangements with UN-Women which IAS considers to be pertinent to its work, subject to appropriate terms and conditions being agreed with contractual parties.

Core principles

5.6 The Core Principles for the Professional Practice of Internal Auditing are part of the Mandatory Guidance of the IIA IPPF and include, among others, integrity, objectivity, confidentiality and competency.

5.6.1 Integrity – Internal auditors shall: (a) perform their work with honesty, diligence and responsibility; (b) observe the law and make disclosures expected by the law and the profession; (c) not knowingly be party to any illegal activity or engage in acts that are discreditable to the profession of internal auditing or to the organization; and (d) respect and contribute to the legitimate and ethical objectives of the organization.

5.6.2 Objectivity – Internal auditors shall: (a) not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This includes those activities or relationships that may be in conflict with the interests of the organization; (b) not accept anything that may impair or be presumed to impair their professional judgment; and (c) disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

5.6.3 Independence – Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair the internal auditor’s judgment including:

a) Assessing specific operations for which they had responsibility within at least the previous two years.
b) Performing any operational duties for UN-Women or its affiliates.
c) Initiating or approving transactions external to IAS.
d) Directing the activities of any UN-Women employee not employed by IAS, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.
5.6.4 Internal auditors will:

a) Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.  
b) Exhibit professional objectivity in gathering, evaluating and communicating information about the activity or process being examined.
c) Make balanced assessments of all available and relevant facts and circumstances.
d) Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

5.6.5 Confidentiality – Internal auditors shall: (a) be prudent in the use and protection of information acquired in the course of their duties; and (b) not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.

5.6.6 Competency – Internal auditors shall: (a) engage only in those services for which they collectively have the necessary knowledge, skills and experience; (b) use outside expertise (a person or firm with expert knowledge, skill and experience in a particular discipline) and/or guest auditors (UN-Women personnel from other organizational units or personnel of other UN organizations, with expert knowledge, skill and experience in a particular discipline) to provide assistance on assignments where IAS needs additional competency or resource availability; (c) perform internal audit services in accordance with the International Standards for the Professional Practice of Internal Auditing; and (d) continually improve their proficiency, and the effectiveness and quality of their services.

Approval and revision of the Charter

5.7 The Director, IEAIS and the Chief, IAS are responsible for applying this Charter, periodically reviewing it and proposing changes to the ACO and Executive Director to keep it current. The Director, IEAIS and the Chief, IAS may issue any additional guidelines as necessary to complement this Charter and accomplish its mission.

5.8 This Charter is approved by the UN-Women Executive Director taking into consideration the advice of the ACO. Amendments to this Charter are subject to the approval of the Executive Director taking into consideration any comments from the ACO.

6 Anti-fraud controls

6.1 UN-Women is committed to preventing, detecting and responding to acts of fraud and other proscribed practices. Fraud prevention and detection measures are an important component of the organization’s anti-fraud and enterprise risk management frameworks. Effective fraud

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2 Chief, IAS; Director, IEAIS; Executive Board; Advisory Committee on Oversight
prevention and detection measures safeguard the organization’s resources and support the integrity of the organization while protecting its reputation.

6.2 Management is responsible for establishing and implementing effective anti-fraud governance, risk management and internal controls. The responsibility of IAS is to assist management by providing assurance which aims to assess the adequacy and effectiveness of the governance, risk management and internal control arrangements relating to the organization’s anti-fraud programme and advising management on the discharge of its obligations, involving personnel as well as vendors, programme partners and other third parties.

6.3 As part of the annual risk assessment and execution of internal audits and advisory engagements, the internal auditors will consider the potential for the occurrence of fraud and how UN-Women manages fraud risk. The internal auditors will identify potential fraud schemes and risks as part of these audit and advisory engagements and will assess their likelihood and significance. Fraud risk assessments aim to address the risks of fraudulent financial reporting, fraudulent non-financial reporting, misrepresentation (either to obtain benefit or not), asset misappropriation and illegal acts (including corruption). When the circumstances warrant, the internal auditors will design and conduct effective procedures to detect red flags of potential fraud.

7 Exceptions to the policy

7.1 Exceptions to this IAS Charter are not permitted.

8 Other provisions

8.1 This IAS Charter supersedes the Charter of Internal Audit Service dated 12 July 2021.

9 Relevant documents

9.1 The following documents are relevant to this Charter:

   9.1.1 Financial Regulations and Rules
   9.1.2 Charter of the Independent Evaluation, Audit and Investigation Services
   9.1.3 UN-Women Anti-Fraud Policy.