

INTERNAL OVERSIGHT MANDATE

1. This Mandate has been prepared in accordance with Financial Regulations 6.01 and 6.06. It covers the nature, objectives and scope of the Internal Oversight function as well as responsibilities and authorities.

Objectives

2. Internal Oversight is an independent appraisal function established within the Organization to examine and evaluate its activities as a service to the Organization. The objective of Internal Oversight shall be to assist the Secretary General and, through him/her, also other heads of institution and heads of mission in the effective discharge of their responsibilities. It shall furnish them with analysis, appraisals, recommendations, counsel and information concerning the activities reviewed. The objective will include the promotion of effective control at reasonable cost.

Independence

3. Internal Oversight shall be positioned within the Office of the Secretary General and shall be wholly independent of other arms of the Secretariat, other institutions and missions. It reports directly, and is responsible, to the Secretary General. Internal Oversight covers all OSCE activities, institutions and missions regardless of the source of funds.

4. Other than as provided for in this Mandate, to preserve impartiality and objectivity, Internal Oversight shall have no authority over, nor responsibility for, any of the operations or activities of the OSCE. Internal Oversight shall not be used in the discharge of other operational or management functions. Internal Oversight reviews and appraisals do not in any way substitute for or relieve the management of the Organization of the responsibilities assigned to them.

Scope

5. The scope of Internal Oversight encompasses the examination and evaluation of the adequacy and effectiveness of the Organization's systems of internal controls and the quality of performance in carrying out assigned responsibilities. It incorporates the full range of internal audit, including management audit, evaluation and investigation, quality and value-for-money assurance and management advice. Internal Oversight may include an appraisal of one or more of the following elements:

- The adequacy, reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;

- The adequacy of regulations, rules, directives and other administrative instructions and whether transactions and activities comply with these authorities;
- The systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports and which should determine whether the Organization is in compliance;
- The means of safeguarding and verifying the existence of assets;
- The economy and efficiency with which financial, physical and human resources have been used and the systems and controls designed to achieve this;
- Operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations are being carried out as planned.

6. The scope of Internal Oversight shall also include the investigation of allegations, which come to or are brought to its attention, of possible violations of regulations, rules or related administrative instructions and allegations involving waste or mismanagement of resources or fraud or other impropriety. The scope shall not extend to those areas for which separate provision has been made for review and investigation.

7. Internal Oversight will conform to generally accepted internal auditing standards.

Authority

8. In undertaking the responsibilities of Internal Oversight, all authorized staff shall have unrestricted access to all personnel, records and documentation including those in electronic format, property and premises of the Organization to the extent that it is, in the opinion of Internal Oversight, necessary for the performance of an objective and effective appraisal, audit, or investigation.

9. All staff or mission members shall co-operate to the fullest extent possible with Internal Oversight in the identification and provision of relevant information that might assist in the discharge of the function.

Confidentiality

10. Confidentiality shall be maintained by Internal Oversight during all audits, appraisals or investigations and all evidence collected shall be secured.

11. Staff and mission members may request that communications with Internal Oversight shall remain confidential. This right shall be guaranteed unless, in the opinion of the Secretary General, the staff or mission member has acted improperly.

12. Staff and mission members shall not take, direct others to take, recommend, or approve any action against other staff or mission members as a reprisal for making a complaint or disclosing information to Internal Oversight.

13. In carrying out investigations, Internal Oversight shall respect the rights of individual staff and mission members at all times. A staff or mission member who is the subject of an

investigation shall be informed of the investigation, but Internal Oversight may exercise discretion in determining when this shall be done, with due regard for the security and the nature of evidence to be collected. In all cases, a staff member subject to an investigation shall be given the opportunity to review the findings of the investigation and respond to the findings before a final report is prepared.

Plan of Work

14. Internal Oversight shall prepare an annual plan of work for the following financial year, consistent with generally accepted internal auditing standards and with estimated available resources. The plan will make provision to allow for investigations into matters which may come to the attention of Internal Oversight during the course of the year. In preparing the plan, Internal Oversight shall consult with the Chairperson of the informal Financial Committee and, to the extent considered necessary, senior managers of the Organization. The annual plan shall be subject to the approval of the Secretary General. The Secretary General may also request special studies, investigations, reviews and counsel.

Reporting

15. A report containing all significant findings resulting from an audit or appraisal or investigation in such form as deemed appropriate in the circumstances shall be submitted to the Secretary General. Less significant findings shall be reported at a level deemed appropriate by Internal Oversight.

16. Before submitting any audit or appraisal report to the Secretary General, Internal Oversight shall present the draft report together with any recommendations to the head of institution, head of mission or director concerned. The head of institution, head of mission or Director shall, as soon as practicable, provide their response on the draft report, the recommendations and indicate the action they intend to take on the recommendations.

17. Internal Oversight shall undertake periodic follow-up reviews to determine whether audit findings and recommendations have been acted upon and, where necessary, report the findings of the follow-up review to the Secretary General.

18. Internal Oversight shall prepare an annual report which summarizes its activities and this shall be submitted through the Secretary General, together with separate comments which the Secretary General deems necessary, to the Permanent Council. The report may contain the following:

- A description of the scope of Internal Oversight activities;
- A description of significant problems, abuses, and deficiencies relating to the administration of a programme or operation found during the period;
- A description of all main recommendations for corrective action made by Internal Oversight during the reporting period relative to the problems or deficiencies identified;
- A description of all main recommendations which were not approved by the Secretary General, together with his reasons for not doing so;

- Identification of each significant recommendation in previous reports on which corrective action has not been completed;
- A summary of any instance when information or assistance requested by Internal Oversight was refused;
- Where applicable, the value of any cost savings or recovered amounts resulting from recommendations and corrective action.

19. Ad hoc reports including, if considered necessary, comments and actions taken in consequence to the reports shall be submitted through the Secretary general to the Permanent Council.

External Auditors

20. Internal Oversight shall, to the extent feasible and practicable, co-ordinate its plans and activities with those of the External Auditor of the OSCE as well as with other units of the Organization, as is deemed necessary.

21. The External Auditor shall be provided with a copy of all Internal Oversight audit and appraisal reports. Reports on investigations into alleged or proven irregularity will be furnished on request.