

**Executive Committee of the  
High Commissioner's Programme**

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**Establishment of an Independent Audit and  
Oversight Committee**

This document provides the *Terms* of reference and criteria for membership of the Independent Audit and Oversight Committee (Annex I), and the *Appointment procedure for members of the Independent Audit and Oversight Committee* (Annex II), as well as the *Decision on the establishment of an Independent Audit and Oversight Committee* (Annex III), as adopted at the 51<sup>st</sup> meeting of the Standing Committee on 23 June 2011.

## **Annex I**

### **Terms of reference and criteria for membership of the Independent Audit and Oversight Committee**

#### **Section 1 – Purpose**

1. An Independent Audit and Oversight Committee (hereafter: ‘the Committee’) is established to serve in an expert advisory capacity to assist the High Commissioner and the Executive Committee in exercising their oversight responsibilities in accordance with relevant best practices, industry standards and the financial and staff regulations and rules applicable to UNHCR.
2. The Committee shall provide external, independent, senior-level advice regarding the functioning of audit and oversight in UNHCR; review internal and external audit and oversight matters; and review financial management and reporting within the Office.
3. The Committee shall act in an advisory capacity, and is neither a governance body nor an appeal body. The Committee shall not take an executive role in the mandated activities of the Office.

#### **Section 2 – Mandate**

4. The Committee shall:
  - (a) Consider all relevant reports by internal and external audit and oversight bodies, including information on the financial statements and management letters issued by the external auditors;
  - (b) Advise on the adequacy and effectiveness of internal and external audit and oversight and the relevant strategies, priorities and work plans, and suggest areas to address potential organizational risks;
  - (c) Review the effectiveness of UNHCR’s systems for internal control and accountability, as well as UNHCR’s risk management;
  - (d) Review UNHCR’s financial statements and reports with a view to providing advice on qualitative improvements;
  - (e) Monitor the status of implementation of recommendations issued by audit and oversight bodies;
  - (f) Consider the risk and control implications of audit and oversight reports and highlight, as appropriate and with due consideration to confidentiality and due process, audit and oversight issues that may need further investigation;
  - (g) Provide advice regarding the adequacy of the resources and performance of UNHCR’s audit and oversight processes; and
  - (h) Prepare an annual report on its activities and recommendations, and submit it to the High Commissioner and the Executive Committee.

#### **Section 3 – Membership**

5. The Committee shall comprise five non-executive members, of whom no two shall be nationals of the same State. Members shall be appointed by the High Commissioner, with the consent of the Executive Committee based on a shortlist provided. In the appointment process, the High Commissioner shall pay due regard to personal qualifications and relevant experience, as well as equitable gender and geographical representation. All members of the Committee must have recent and relevant, senior-level, financial, audit,

oversight and/or inspection experience and, to the extent possible, have experience in the following:

- (a) Accountancy;
- (b) Governance, assurance and risk management;
- (c) Audit;
- (d) Knowledge and understanding pertinent to the Office's core mandate;
- (e) Experience in managing organizations of similar size; and
- (f) Understanding of the organizational and United Nations system-wide operating context and accountability structures.

6. All members of the Committee shall reflect the highest level of integrity, shall serve in their personal capacity, and shall not seek or receive any instructions from any Government in the performance of their duties. They shall not hold any position or engage in any activity that could impair their independence from UNHCR or from companies that maintain a business relationship with UNHCR, in fact or in perception.

7. Former staff of UNHCR shall not be appointed to the Committee within a period of three years from the end of their employment with UNHCR. Members of the Committee shall not take up an appointment with UNHCR within three years after the end of their tenure.

8. Members of the Committee are appointed for a three-year period, and can only be reappointed once, for a final term of three years. Two of the initial five members, to be identified by the drawing of lots, shall be appointed for an initial four-year period.

9. Members shall inform the High Commissioner if they are not in a position to serve the full term of their appointment, with three months prior notification.

#### **Section 4 – Meetings**

10. The Committee may adopt its own Rules of Procedure, which shall be communicated to the High Commissioner and to the Executive Committee. The Committee shall meet, in principle, four times per year, but not less than two times per year. The meetings shall take place in Geneva, at a venue to be decided by the Committee.

11. The first meeting shall be convened by the High Commissioner or his/her designate. The Chairperson, in consultation with other members, shall convene future meetings. The members shall elect the Chairperson and a Vice-Chairperson on a yearly basis to preside over the Committee's meetings.

12. The Committee shall work on the basis of consensus. The quorum for a meeting is three members, one of whom must be the Chairperson or Vice-Chairperson. As members serve in a personal capacity, alternates are not allowed.

#### **Section 5 – Reporting**

13. While the Committee carries out its work independently, it shall present an annual report to the High Commissioner and the Executive Committee simultaneously, containing an overview of its activities and its recommendations based on findings concerning the previous calendar year. The Committee may also report key findings and matters of importance to the High Commissioner and the Executive Committee at any time.

14. The annual report shall also be presented by the Chairperson to the Standing Committee at its September meeting, when both internal and external audits are reviewed and discussed.

15. The Chairperson shall interact regularly with the High Commissioner, or his/her designate, to advise him/her on the results of the Committee deliberations, as well as on forthcoming issues relevant to its business.

16. Exceptional circumstances may require the Committee to provide an additional briefing to the High Commissioner and/or the Executive Committee, to be planned in conjunction with other planned committee meetings.

**Section 6 – Remuneration**

17. Members shall not be provided with a fee for services rendered, in order to maintain their independence. However, they shall receive a daily allowance and shall be reimbursed for travel expenses incurred to attend Committee meetings.

**Section 7 – Authority**

18. The Committee has the authority to obtain information and/or documents it considers necessary to perform its mandate. Such information and documents received by the Committee members are subject to signed statements of confidentiality.

19. The Committee has the authority to request the cooperation of UNHCR staff, as necessary.

20. The Committee shall meet at least annually with the external auditor, the internal auditor and UNHCR's Inspector-General.

**Section 8 – Responsibility and liability of members**

21. Members shall act in an independent, non-executive capacity while performing their advisory role in the Committee. As such, members shall not be held personally liable for advice provided by the Committee acting as a whole.

**Section 9 – Indemnification of members**

22. Members shall be indemnified from actions taken against them as a result of activities performed in the course of business of the Committee, provided such activities are performed in good faith and with due diligence.

**Section 10 – Committee Secretariat**

23. The Committee's Secretariat shall be comprised of UNHCR staff, appointed by the High Commissioner or his/her designate, who will operate with autonomy.

**Section 11 – Confidentiality of meetings and minutes**

24. The deliberations of the Committee and the minutes of its meetings are confidential. The supporting documents circulated to members shall be used solely for that purpose and treated as confidential.

**Section 12 – Coordination**

25. The Chairperson may meet with the chairpersons of other independent audit and oversight committees within the United Nations system, normally through video-conferencing or tele-conferencing as deemed necessary, to exchange practices and discuss system-wide audit and oversight issues.

**Section 13 – Review of the Committee's terms of reference**

26. These Terms of Reference shall be reviewed at least every two years. Any updates shall be approved by both the High Commissioner and the Executive Committee.

## Annex II

### **Appointment procedure for members of the Independent Audit and Oversight Committee**

1. The Office will place an advertisement in prominent and relevant (international) publications, as well as on UNHCR's website, inviting applications for the five member positions. The advertisement will indicate the mandate of the Committee, the experience and expertise required, and the selection procedure. Full Terms of Reference will be shared with interested applicants upon request.
2. A professional agency, selected by the Office in consultation with the Executive Committee Bureau and on the basis of the United Nations procurement rules, and specialized in the selection and recruitment of individuals with the required profile for senior positions, will be mandated to make an initial screening of applicants, and prepare a shortlist with the 10 most suitable candidates.
3. The Office will share with the Chairperson of the Executive Committee, the shortlist which, taken as a whole, demonstrates the necessary experience and expertise. The evaluation criteria used for making the selection will also be shared with the Chairperson. The Chairperson will then be invited to submit consolidated comments on behalf of the Executive Committee to the High Commissioner on the shortlist taken as a whole.
4. With the consent of the Executive Committee, the High Commissioner will appoint five members of the Committee.
5. In the different stages of the appointment process, due regard will be given to personal qualifications and relevant experience, as well as equitable gender and geographical representation.

## Annex III

### **Decision on the establishment of an Independent Audit and Oversight Committee**

*The Executive Committee,*

*Having considered* the report by the independent Steering Committee<sup>1</sup> containing the review of governance and oversight within the United Nations, as well as the relevant resolutions adopted by the United Nations General Assembly on the establishment of an Independent Audit Advisory Committee,<sup>2</sup>

*Taking into account* the recommendations of the United Nations Board of Auditors and the United Nations Joint Inspection Unit, as well as best practices from throughout the United Nations system and the public and private sectors,

*Having considered* the debate on this issue at the 50<sup>th</sup> and 51<sup>st</sup> meetings of the Standing Committee,

1. *Agrees* to the establishment of an Independent Audit and Oversight Committee to assist the High Commissioner and the Executive Committee in the exercise of their oversight responsibilities in accordance with relevant best practices, industry standards and the financial rules and staff regulations and rules applicable to UNHCR;
2. *Adopts* the Terms of Reference as presented in Annex I of EC/62/SC/CRP.24/Rev.2;
3. *Invites* the Office of the High Commissioner to commence the recruitment procedure for the external members of the Committee as soon as possible, and to involve the Executive Committee closely in the appointment process;
4. *Looks forward* to the Committee's external, independent, senior-level advice regarding the functioning of audit and oversight in UNHCR; and
5. *Decides* to review the Terms of Reference before the end of the sixty-fourth session of the Executive Committee, preferably by June 2013 at the latest.

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<sup>1</sup> A/60/883/Add.1 and A/60/883/Add.2.

<sup>2</sup> A/RES/60/248 and A/RES/61/275.