

**55th Meeting of the Standing Committee
18-19 September 2012**

Agenda item 3a (iv)

Oral update from the Independent Audit and Oversight Committee (IAOC)

- Following the Standing Committee's decision in its 51st meeting to establish an Independent Audit and Oversight Committee (IAOC), the High Commissioner, with the consent of the Executive Committee, appointed the following five members of the Committee, as provided in its Terms of Reference: Mr. Salleppan Kandasamy; Mr. Sam Karuhanga; Mr. Kenneth Langford; Mr. Verasak Liengsrirawat and Ms. Mari Simonen.
- The 1st Session of the IAOC, with all the five members present, was convened from 4th to 6th June 2012 at the UNHCR Headquarters.
- The first day of the meeting was an information session. The High Commissioner and Ambassador Jan Knutsson, Chairman of the Executive Committee, met the Committee during this session and shared their expectations with respect to the work of the Committee. The senior officials of UNHCR provided a general briefing to the Committee on the work of the organization, its operations and management framework, including its financial aspects and performance review mechanisms as well as the challenges faced by UNHCR. The Committee was also briefed on UNHCR's initiatives with respect to Results Based Budgeting, implementation of IPSAS and an Enterprise Risk Management system.
- As a first order of business, the Committee:
 - (i) Elected its Chairperson (Mr. Verasak Liengsrirawat) and the Vice chairperson (Mr. Kenneth Langford) for the first year. The Committee has also decided that the Vice Chairperson will assume the Chairmanship automatically in the next year.
 - (ii) Identified two out of its members, who will serve for a period of four years, as provided for in the Terms of Reference (ToR), so as to ensure continuity. Three of the members will serve for a period of three years.
 - (iii) Deliberated on and agreed on the framework for the "Rules of Procedure" of the Committee as provided in the Terms of Reference. This has since been drafted and adopted by the Committee.
- The Committee met with the three principal oversight bodies i.e. the Inspector General, the Internal Audit Division of the Office of Internal Oversight Services (OIOS/IAD) and Board of Auditors and was briefed on:
 - (i) their respective mandates with respect to functions and responsibilities, organizational structures and professional standards adopted for the performance of their work;
 - (ii) the parameters used for the preparation of their annual work plans for 2012, the actual work plan itself and the status of progress achieved against their plans; and

- (iii) their follow-up procedures and the status of implementation of the recommendations by Management.
- Based on the requirements of the Terms of Reference and information received through Management briefing and interaction with the oversight units, and its understanding of the oversight needs of UNHCR, the Committee has formulated its work programme for its next session and areas of focus for future sessions. The Committee noted the on-going discussions an initiative within the organization to improve the effectiveness of the internal audit function, including the possibility of in-housing the function currently being handled by OIOS/IAD.
 - Going forward, the Committee will focus on reviewing the adequacy, efficiency and effectiveness of the oversight framework, with particular attention to rationalization and coordination. The concern is to ensure a streamlined oversight framework which provides the level of services necessary for UNHCR. In addition, the Committee's work programme identifies the following key areas which we will examine in the course of the year – (i) Internal controls framework including accountability and enterprise risk management within UNHCR, (ii) Financial reporting and IPSAS implementation, (iii) Evaluation function, and (iv) IAOC self assessment.
 - The Committee has planned to meet four times in the next year, as provided in the Terms of Reference. More meetings will be scheduled if found necessary.
 - In the first full annual report to the Executive Committee, in September 2013, the IAOC will report on significant oversight issues and provide appropriate recommendations.

10 September 2012