



SIXTH ITEM ON THE AGENDA

**Report of the Chief Internal Auditor for
the year ended 31 December 2007**

**Report of the Chief Internal Auditor
on significant findings resulting from
internal audit and investigation
assignments undertaken in 2007**

1. In accordance with the decision taken by the Governing Body at its 267th Session (November 1996), the Director-General transmits herewith the report of the Chief Internal Auditor on significant findings resulting from audit and investigation assignments carried out during 2007 (see Appendix I).
2. The Director-General considers the work performed by the Chief Internal Auditor to be extremely valuable in assessing strengths and weaknesses in operations, practices, procedures and controls within the Office. Recommendations made by the Office of Internal Audit and Oversight are thoroughly evaluated and there is constant dialogue between managers and the Chief Internal Auditor to give effect to them.
3. *The Committee may wish to recommend to the Governing Body that it approve the Internal Audit Charter attached as Appendix II to this paper as a means to underpin the mandate and authority of the Chief Internal Auditor.*

Geneva, 5 February 2008.

Point for decision: Paragraph 3.

Appendix I

Report of the Chief Internal Auditor on significant findings resulting from internal audit and investigation assignments undertaken in 2007

Introduction

1. The Office of Internal Audit and Oversight (IAO) of the ILO fulfils an independent oversight function established under article 30(d) of the Financial Regulations. Through audit, inspection and investigation processes, the IAO determines the adequacy and effectiveness of the Organization's system of internal control, financial management and use of assets. Its aim is to provide reasonable assurance that the activities have contributed to the attainment of the Organization's goals and objectives. More specifically, to achieve this, the IAO addresses the following audit objectives during its audit reviews: appraises accounting, administrative and operating controls; evaluates the responsible, efficient and economic use of the Organization's resources; ascertains the extent of compliance with established rules, regulations, policies, procedures and plans; determines the extent to which assets are accounted for and safeguarded from loss; assesses measures taken to prevent fraud, waste and malfeasance; ascertains the reliability of financial and management information; and examines the adequacy of the planning and monitoring system with regard to the operations, functions, programmes and activities within the Organization. Where necessary, the Chief Internal Auditor makes recommendations to improve their adequacy, efficiency and effectiveness. The IAO adopts a proactive approach to facilitating the assessment of risks and controls, and promotes a cohesive Office-wide approach to risk management and a learning culture in support of management's process to enhance efficiency, effectiveness and value for money in the activities of the Organization.
2. The IAO conducts its audits in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. The IAO aims to bring an integrated and strategic approach to IAO's assurance audits to facilitate the identification and reporting to management of significant issues in a timely manner.
3. The IAO does not develop or install procedures or engage in any activity that it would normally review or appraise or which could be construed as compromising either its independence or objectivity. The IAO has full and free access to all records, personnel, operations, functions and other material relevant to the subject matter under review. Its monitoring procedures are systematized to ensure that management properly follows up on, and implements, all audit recommendations.
4. The results of the IAO's activities in 2007 have not indicated any major weakness in the ILO's system of internal control. This includes an audit of the IRIS payroll module through which approximately 70 per cent of the ILO's expenditure is processed. The IAO cannot, however, provide comment on those areas that have not been subject to an internal audit in 2007.

Governance and risk management

5. During the course of the 2006–07 biennium, the Office has taken several major initiatives to enhance its system of internal governance and risk management.

Governance

6. The actions taken to improve internal governance systems and processes can be summarized as follows:
- creation of an Ethics Officer function;
 - promotion of an anti-fraud culture;
 - requirement for ILO officials to disclose conflicts or potential conflicts of interest;
 - requirement for certain categories of ILO officials to declare financial interests on an annual basis;
 - revised rules and procedures governing outside activities of ILO officials;
 - issued procedures governing employment and other types of contracts with close relatives of ILO officials;
 - creation, on a trial basis, of an Independent Oversight Advisory Committee; and
 - introduction of the Internal Governance Document System to facilitate approval and dissemination of ILO governance documents such as Office regulations, rules, instructions, procedures and guidance for ILO officials.

Risk management

7. In 2007, the Management and Administration Sector (MAS) launched risk management initiatives within several of its departments at headquarters:
- the Information Technology and Communications Bureau (ITCOM) launched its risk management initiative within the established IT governance frameworks of Governance, Control and Audit for Information and Related Technology (COBIT) and IT Infrastructure Library (ITIL);
 - the Internal Administration Bureau (INTER) has taken forward risk management in the context of maintenance and management of the headquarters building, documentation management and headquarters building security;
 - a detailed risk log has been developed and is regularly reviewed related to the roll out of IRIS to external offices;
 - the Human Resources Development (HRD) department facilitated establishment of a Steering Committee on Insurance Coverage;
 - the introduction of a risk register for all procurement activities in excess of US\$20,000 at headquarters.
8. The MAS sector is coordinating these risk management initiatives to feed into the ILO business continuity plan that is being developed.
9. Training on risk management has also been provided for a number of ILO officials. For example, in November 2007, the IAO organized a training course on enterprise risk management (ERM) in which its team, ILO officials from six operational departments, and representatives from three Geneva-based UN organizations participated.

10. These are positive steps taken by the Office to introduce risk management to the ILO. In the IAO's view, however, there is an opportunity to further implement risk management across the whole of the ILO. In order to achieve this aim, generally accepted best practice (applicable to both public and private sector organizations alike) promotes the introduction of ERM. The concept behind ERM is the implementation of risk management organization-wide on a consistent basis, and not limiting it to specific locations or functions. While it need not be complex, and can be tailored to suit the organization in which it is being implemented, implementing and embedding ERM takes time, commitment from staff at all levels throughout the Organization and coordinated basic training for those staff involved in the process.
11. A key element of ERM is to have in place an organization-wide policy concerning risk management. Such a policy would detail the Organization's approach to risk management, definition of risk, level of acceptable risk, responsibilities and authority, standard methodology for risk identification and assessment, and mechanisms for reporting and monitoring risks. A risk management policy promotes a common understanding of risk management throughout the Organization, along with the benefits it can bring therein.
12. As one of the first steps towards applying the principles of ERM throughout the ILO, the IAO recommends that the Office develop a risk management policy that provides a framework that would apply to the whole of the ILO. The IAO also recommends that once a policy has been developed and approved by the Director-General, the Office develops a strategy to roll out risk management, and that it be included as a milestone to be achieved in the results-based management road map and that the necessary resources be allocated to ensure its effective implementation.

Audit at headquarters

Payroll IT audit

13. Staff costs account for approximately 70 per cent of the ILO's expenditure. All Professional staff (both headquarters and field based) and headquarters General Service staff salaries are processed through the IRIS payroll module. As the module is an integral part of the ILO's system of internal control, the IAO commissioned an outside audit firm, which had the necessary IT audit skills in ORACLE-based systems, to undertake an audit of the IRIS payroll module. The aim of the audit was to assess if controls over the payroll process are in place and effective.
14. The audit found that the overall payroll process is effectively controlled. The audit noted that there were areas where controls could be improved, most notably over password security setting; segregation of duties through use of system controls within the IRIS payroll module; and enhanced monitoring of critical aspects of the system such as super users and exception reports. Furthermore, the audit reported reliance on manual controls within the payroll processing system and noted that there is scope to review these controls to determine those that can be automated, thus bringing efficiencies to the process.
15. The forthcoming ORACLE upgrade provides the Office with an opportunity to review the payroll process and associated controls. The IAO therefore recommends that the Office reviews the system of controls in place over the payroll process and assess if enhanced password security, better segregation of duties and improved monitoring can be introduced. The Office should also take the opportunity of the upgrade exercise to review the remaining manual controls over the payroll process to determine those that can be automated.

Audit of field offices

16. During 2007, the IAO reported on the audit of the operations of the Regional Office for Africa, a subregional office and one external office in the Africa region. The audit objectives were to evaluate the adequacy of the internal planning and monitoring system with regard to the operational activities of the offices; the effectiveness of their internal control system; the efficiency of work procedures; the extent of compliance with established policies, regulations and rules; the reliability of financial data and other information; and the extent to which assets were accounted for and safeguarded from loss.
17. In all the offices visited the IAO concluded that financial and administrative controls were adequate. The IAO found that improvements could be made to their work planning process. The IAO also noted opportunities for the offices to streamline work procedures and enhance internal controls over their payment processes, management of external collaboration contracts and monitoring of seminars.
18. In one of the offices visited, which the ILO owns, no repair and maintenance plan had been developed. The IAO recommended that this office should, in consultation with INTER, develop such a plan to ensure continued proper maintenance of the building.
19. In another office, the IAO found that controls to ensure proper compliance with established rules, regulations and instructions concerning home leave were inadequate. As home leave is a high risk area and can easily be open to abuse, the IAO recommended that the office immediately institute a system of control that would ensure due compliance with ILO rules, regulations and instructions on this matter; and retroactively review home leave travel undertaken from the beginning of 2006 to confirm its regularity.
20. The IAO audited the operations of the Regional Office for Latin America, a subregional office and one external office in the Latin America region. The audit fieldwork has been completed and the IAO is in the process of reporting its findings to management. The IAO shall present any significant findings to the Governing Body in its next report.

Audit of technical cooperation projects

21. During its visit to the Africa region external offices, the IAO audited the operations of two technical cooperation projects: International ILO/USDOL; International HIV/AIDS Workplace Education Programme in Ethiopia (ETH/03/M50/USA); and the IPEC time-bound programme supporting the National Plan of Action for the Elimination of the Worst Forms of Child Labour in Kenya (KEN/04/P50/SPA). The audit objectives were to evaluate compliance with the ILO's financial and administrative rules, regulations, policies and procedures.
22. During its audit mission to Latin America, the IAO audited the projects: PREJAL – Youth Employment Promotion in Latin America (RLA/06/M04 and 05/SPA), and Combating Trafficking in Persons in Brazil (BRA/05/M05/USA). The audit fieldwork has been completed and the IAO is in the process of reporting its findings to management. Any significant findings shall be presented in the IAO's next report to the Governing Body.

**International HIV/AIDS Workplace
Education Programme in Ethiopia**

23. Ethiopia was one of nine targeted countries to implement a programme on HIV/AIDS workplace education and prevention. The programme in Ethiopia was to be implemented over a three-year period, May 2004 to April 2007, and allocated a budget of some

US\$950,000. The aim of the programme was to reduce HIV/AIDS risk behaviours among workers, and employment-related discrimination against persons living with HIV/AIDS.

24. The IAO concluded that the project was satisfactorily controlled with project workplans and activity status reports being posted on the ILO/AIDS interactive web site. The IAO's main findings and recommendations were geared towards improving the efficiency of the budget and financial management process by delegating a number of tasks from the subregional office to project staff.

IPEC: National Plan of Action for the Elimination of the Worst Forms of Child Labour in Kenya

25. This project has a four-year life cycle and was launched by IPEC in September 2004 with a budget of some US\$5 million. The project's main means of intervention was by subcontracting action programmes to implementing partners. The IAO's audit review included visiting two implementing partners to observe their operations.
26. The audit concluded that the project was satisfactorily controlled and the implementing partners visited adequately managed ILO funds. To enhance the effectiveness and improve the efficiency of the project's system of internal control, the IAO recommended that the ILO's Field Office Financial System (FISEXT) should be implemented in the Nairobi project office with appropriate training provided to project staff. The IAO also noted that financial controls over implementing partners could be enhanced principally by two means: (i) appointing a reputable firm of local auditors to review cash books of, and undertake on-site visits to, implementing partners to assess their system of financial management of IPEC funds; and (ii) the project should undertake a more critical review of cash books.

Investigations

27. In 2007, the IAO reported on two investigations and completed the fieldwork on another. The IAO also reviewed documentation of an investigation undertaken locally by a Regional Office. Three of the four cases concerned allegations of financial irregularities, fraud and/or fund mismanagement. One case concerned allegations that a technical cooperation project had not met its objectives and performance data had been manipulated. All four cases concerned technical cooperation projects.
28. The IAO's investigations found that in one case there was no evidence to support allegations of fund mismanagement, but found evidence indicating that an ILO official had acted in an unethical manner by awarding three contracts to two firms of which the official was joint owner (the three contracts totalled some US\$44,000). This official is no longer employed by the ILO.
29. In another case, a firm of local auditors was commissioned to undertake a review of four implementing partners' cashbooks. Key components of this review comprised visits to project sites, and third-party confirmation of receipt of payment and delivery of goods. The local auditors found there had been no systematic fraud, but did uncover evidence of small-scale financial irregularities that had occurred in remote locations.
30. In the third case, the IAO reviewed the work undertaken by local ILO management into suspicions that an implementing partner had been subject to a fraud perpetrated against it by a lone third party. The local investigation confirmed that a fraud had been committed against the implementing partner.

31. As regards the fourth case, the IAO is in the process of reporting its findings to management, but can report that the allegation concerning manipulation of performance data was unfounded. As the allegations concerned operations managed by one of the project's four field offices, and the investigation fieldwork therefore focused on this office's activities, the IAO was not in a position to form an overall conclusion on achievement of objectives across the project as a whole. This matter will be addressed by the independent evaluation of the project.
32. In 2007, the IAO devoted a major amount of its resources to conduct and report on investigations. This had a detrimental impact on delivery of its programme of assurance audits, both in terms of number of assurance audits conducted and the time to report findings thereon. The creation of an Investigation Unit with the additional resources approved by the Governing Body, comprising a chief investigator and assistant, shall help address this imbalance in the IAO's work programme (section on external quality review refers).
33. In all cases reviewed, the IAO estimates that the Office may have suffered a total financial loss of some US\$15,000. In one case, the Office will have to review other elements of expenditure incurred by an implementing partner to determine if they are ineligible.

Significant findings arising from investigations

34. In the above cases, the IAO noted weaknesses in the overall project control environment that may have contributed to the causes that gave rise to the allegations, fraud or irregular acts. The most significant/common findings can be summarized as follows:
- a need to improve monitoring of implementing partner activities from both a financial and operational perspective;
 - a need to enhance the capacity of implementing partners to exercise adequate stewardship over ILO funds;
 - formal risk assessments not conducted with respect to project implementation, as is required by the ILO's technical cooperation manual; and
 - enhance financial controls over payments.
35. The IAO believes that there is an opportunity to learn from the lessons arising from the abovementioned cases and improve project governance and internal control. This will reduce the risk of fraud or other irregularities occurring, and can help the Office easily refute any false allegations made thereon.
36. With this aim in mind, the Office should develop training and guidance to assist concerned staff in the task of formally assessing the capacity of implementing partners to: deliver ILO programmes; maintain an adequate system to collect and report performance data; and exercise due stewardship over ILO funds. Where deemed necessary, the ILO should provide suitable training and guidance to enable implementing partners to put in place proper systems of control, with periodic site visits by ILO officials to obtain assurance that the systems are maintained and working. Should there be sufficient resources, and a suitable pool of firms available from which to select, projects should consider commissioning a firm of local auditors to review the implementing partners' system of internal control over ILO funds.

37. The Office should also reinforce the requirement that, prior to project implementation, a formal risk assessment is undertaken to determine the major factors that may impact on achievement of project objectives. This should apply to all technical cooperation projects.
38. To strengthen financial control over ILO payments to implementing partners, the IAO recommends that the Office provide guidance and instructions on the most appropriate means of effecting payment taking into account the environment in which the project is operating and reliability of the banking system therein.

Reporting of allegations or suspicion of fraud or other irregularities

39. ILO management conducted investigations into one case of suspected fraud, and another into financial mismanagement, prior to notification and involvement of the Chief Internal Auditor or the Treasurer and Financial Comptroller. In one case, the IAO only became aware of the allegations after the local investigation had been concluded and its findings reported and shared with the donor, who then requested a further review. In the other case, the Treasurer and Financial Comptroller was only informed of the locally conducted investigation, which substantiated the allegations of fraud, some six months after the original allegations were made. There is a risk that if allegations are not brought to the attention of the proper authorities in headquarters they may not be properly addressed, which could impact negatively on the image of the ILO.
40. The Office should remind all ILO officials, both regular budget and technical cooperation, that should they become aware of, or have suspicions of fraud or other irregularities occurring, they should inform the Director-General through the Treasurer and Financial Comptroller and the Chief Internal Auditor. This will assist the Office to ensure appropriate action is taken and due process followed.

International Training Centre of the ILO (ITC)

41. In 2007, the IAO undertook three assignments at the ITC: it investigated allegations concerning a project funded by the European Union; reviewed the ITC travel system; and introduced the concept of ERM to the ITC.

Investigation

42. The IAO investigation concluded that there was no substance to the allegations. Weaknesses in the project's control environment were, however, reported and appropriate recommendations made to address them, particularly with respect to project oversight and governance. The External Auditor referred to the investigation and its findings in his report to the 69th Session of the Board of the Centre held in November 2007.

Travel Unit

43. The ITC management requested the IAO to conduct an independent review of the travel function being provided by the ITC–ILO Travel Unit as well as by the current service provider. The ITC management's interest was to determine whether or not there was any opportunity for further efficiency gain and possible areas to be outsourced.
44. The IAO made recommendations to simplify procedures, introduce performance monitoring of the Travel Unit and the in-house travel agent, and also suggested improvements to the management information available to the ITC. The option of outsourcing the in-house Travel Unit was also addressed, and matters regarding the

consequences of possible outsourcing were brought to the attention of the ITC management.

Risk management

45. The IAO introduced the principles of ERM to the ITC. In response to this, the ITC established a risk management committee, and further developments in the implementation of ERM are expected in 2008.

External quality review

46. In 2003, the IAO adopted the Professional Standards of the Institute of Internal Auditors (IIA).¹ The IIA standards require that internal audit departments undergo an external quality review at least once every five years to ensure the adequacy and effectiveness of internal audit functions. To comply with this requirement, following her appointment to the post, the Chief Internal Auditor commissioned an external assessor to conduct a review of the IAO. The fieldwork was undertaken in October 2007 and the findings reported in early November 2007. The aim of the review was to assess the overall quality of the IAO's audit programme and the extent to which the IAO is in compliance with the IIA standards. Only if the IAO demonstrated that it has complied with the IIA standards to the satisfaction of the external assessor could the IAO report that it has conducted its audits in accordance with the IIA International Standards for the Professional Practice of Internal Auditing.
47. The external assessor reported that, overall, the IAO complies with the IIA standards. The assessor pointed to partial compliance in a small number of areas, which fell within the categories of organizational independence, quality assurance and improvement programme, frequency of reporting to senior management and engagement planning. The assessor also reported that there is a high degree of confidence in the Chief Internal Auditor's ability to lead the IAO; the Internal Audit team is recognized as competent and professional; and audit processes have been considerably improved over time.
48. As part of the review, the assessor also benchmarked the IAO's work practices against leading practice in the internal audit profession and found that the IAO has implemented good practices in most areas. Although the IAO does implement many good practices, the assessor identified key areas for improvement, namely:
- rebalance time spent on special investigations in favour of assurance and advisory services (this shall be addressed by utilizing additional IAO resources approved by the Governing Body to hire a dedicated investigator as part of the IAO team);
 - enhance communication of audit results by more frequent reporting to the Director-General and reporting to the Independent Oversight and Advisory Committee when created;
 - increase overall training hours, including language and IT tools training;
 - reduce average assurance audit reporting cycle to four to five months (this should be addressed with the creation of the investigation unit);
 - develop and report on key performance indicators;
 - formalize work planning procedures;

¹ GB.289/PFA/7.

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- systematically and formally request feedback from auditees (audit satisfaction survey); and
 - conduct an annual self-assessment of the IAO against IIA standards.
49. The Chief Internal Auditor welcomes the report, the constructive suggestions it makes and shall use it as a road map to further improve the IAO's quality, effectiveness and efficiency to better serve the Director-General and the Governing Body.

Internal Audit Charter

50. The IIA standards require that internal audit departments have in place an Internal Audit Charter approved by the "board" or, in the case of the ILO, the equivalent being the Governing Body. A charter is a formal written document that defines the internal audit department's purpose, authority, responsibility and scope of internal audit activities. The IAO has prepared an Internal Audit Charter that reinforces its mandate and authority as set out in the ILO's Financial Regulations and Circular (see Appendix II).

Follow up on internal audit recommendations

51. The IAO followed up with the Office to determine the action taken with regard to recommendations made in the internal audit reports on the operations of the ILO's Internal Administration Bureau (INTER), Communications and Files Section (DOSCOM) and the Security Unit. The Office reported that action had been taken on the majority of recommendations and that an implementation plan is in place to address the remaining, lower priority recommendations.
52. The IAO also followed up on the recommendations it made in the internal audit report on the ILO/ITU Staff Health Insurance Fund (SHIF). The SHIF management are addressing all recommendations and ongoing efforts are being made to resolve issues related to functional backups.
53. Field offices have provided the IAO with progress reports on action taken to implement internal audit recommendations. Overall, reported progress is good, with a few instances where full reporting on some recommendations needs to be completed.

Appendix II

Audit Charter

Mission

1. To provide the Governing Body and the Director-General with an independent, objective assurance activity designed to add value and improve the Office's operations. The Office of Internal Audit and Oversight (IAO) assists the Office in achieving its objectives by utilizing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Mandate

2. The IAO's activities are described in section XIV of the Financial Rules and in Circular No. 11, Series 2, "The Office of Internal Audit and Oversight", with which this Charter fully conforms.

Scope of work

3. The oversight provided by the IAO covers internal audit, inspection, monitoring and the evaluation of the adequacy and effectiveness of the Office's system of internal control, financial management and use of assets, as well as investigation of financial or administrative misconduct and other irregular activities.
4. The IAO assesses the operations of the Office to provide periodic appraisals of the:
 - reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
 - effectiveness of the management controls and system used to account for and safeguard the Office's assets and, as appropriate, verify the existence of assets;
 - internal control systems established to ensure compliance with the Office policies and procedures;
 - operations of the Office to ensure that the necessary internal controls are in place to utilize its resources effectively and efficiently.
5. The IAO will prepare reports on the results of its audits and provide recommendations for improvement which will be discussed with the management of the entity under audit. Follow up of corrective actions taken to address the matters raised in the audit reports will be periodically performed by the IAO.
6. The IAO will provide advisory services to the Office as and when requested.
7. Under normal circumstances, internal audit work is carried out by members of the IAO. In cases of special need, IAO resources may be supplemented by the assistance of other suitable staff within the Office or by the engagement of external consulting services.

Authority

8. When conducting assignments, IAO personnel have the following authorities:
 - the determination of areas subject to audit and the determination of audit scope, the allocation of resources, and the determination of the audit techniques to be utilized in achieving internal audit objectives;
 - full, free and prompt access to all records, documents, personnel and physical assets relevant to the subject under review;
 - the right to communicate directly with all levels of staff and management in order to discharge the IAO's responsibilities;
 - the right to request any staff member to furnish all information and explanations that the IAO deem necessary to discharge its responsibilities.
9. The Chief Internal Auditor (CIA) and personnel of the IAO are not authorized to be involved in the day-to-day operational or managerial activities of the Office, in order to maintain an impartial, unbiased attitude and avoid conflicts of interest.

Accountability and independence

10. The CIA is appointed, and may only be terminated, by the Director-General after consultation with the Governing Body.
11. The CIA reports to, and is accountable directly to, the Director-General.
12. The IAO operates independently from other parts of the ILO.

Responsibility of the CIA

13. The CIA is responsible for the work of the IAO and is required to:
 - effectively manage the IAO to ensure it adds value to the Office;
 - submit an annual report to the Director-General for presentation to the Governing Body, reflecting the results of audit work performed, and reporting on the results of corrective actions taken by management to address matters arising in previous audit reports. Any significant risk exposures, control issues and governance issues identified by the IAO will be included in the annual report;
 - submit a biennial internal audit workplan, based on the results of a risk assessment of the Office performed by the IAO to the Director-General for review and approval. Should changing circumstances indicate a reprioritization of audit effort during the biennium, the audit plan is amended accordingly and the Director-General is informed;
 - ensure that all IAO activities comply with the Internal Audit Standards and Practice Advisories issued by the Institute of Internal Auditors;
 - ensure that investigatory work is carried out in conformity with the Uniform Standards for Investigators adopted by the Third Conference of International Investigators of the United Nations and Multilateral Financial Institutions on 6 June 2002;

- adopt best practices in discharging the Internal Audit and Oversight function, and keep management informed of emerging trends in best practice;
- ensure that the IAO is staffed with professional and support staff, with sufficient skills, experience and other competencies needed to fulfil the mandate of the IAO and to maximize the efficiency and effectiveness with which those resources are used;
- ensure that internal audit assignments are performed with proficiency and due professional care;
- liaise with the External Auditor to foster a cooperative and professional working relationship, optimize audit coverage while as far as possible avoiding the duplication of audit efforts. The CIA shall also share with the External Auditor information such as internal and external audit workplans and all reports produced by both the IAO and the External Auditor;
- ensure that a quality assurance and improvement programme that covers all aspects of IAO activities is established.

Amendment of Internal Audit Charter

14. The Chief Internal Auditor is responsible for applying this Charter and keeping it up to date. This Charter is approved by the Governing Body, after consultations with the Director-General.
15. Any amendment of this Charter is subject to the approval of the Governing Body after consultations with the Director-General.