AUDIT AND OVERSIGHT COMMITTEE

Terms of reference, membership and mode of operation

1. Mandate of the Audit and Oversight Committee

(1) The Audit and Oversight Committee is mandated by the Executive Council to provide objective advice and recommendations to the Executive Council and the WMO Secretary-General on all matters relating to financial management and reporting, systems of internal control and risk management, audit and evaluation processes, monitoring of compliance with financial rules and regulations and the Framework of Ethics, taking into consideration the policies and procedures applicable to WMO and its operating environment.

The Audit and Oversight Committee shall seek to promote proper governance and high ethical standards, as well as the adoption and use by management of best practices in risk and financial management.

(2) The Audit and Oversight Committee shall be constituted as an independent advisory expert body of the Executive Council in accordance with Regulation 27 of the WMO General Regulations (2019 edition).

2. Responsibilities and duties

(3) The Audit and Oversight Committee shall discharge its mandate under these terms of reference through the following responsibilities and duties:

(a) Review and advise on policies significantly impacting financial management and reporting, the internal audit and investigation function, and the evaluation functions and the effectiveness of WMO's systems of internal control and accountability; including its control assurance statements and risk management and governance practices;

(b) Review and assess the suitability of accounting and financial policies and advise on any proposed changes to financial regulations; and assess the adequacy, reliability and accuracy of financial statements, and review and advise the Secretary-General on the financial statements and reports of WMO;

(c) Review significant risks impacting WMO and advise on the adequacy, effectiveness and development of risk management policies and processes (including cybersecurity);

(d) Assess the strengths and weaknesses of, and consider improvements to, the internal and external audit functions for effective oversight coverage;

(e) Review the Internal Oversight Office (IOO) charter, strategy and work plans (including the adequacy of coverage of major risks facing WMO such as cybersecurity, compliance and ethics risks in the internal oversight plan); budget, staffing and other resources required for the functioning of IOO and organizational structure;

(f) Monitor the quality and effectiveness of internal control and governance mechanisms and the content of assurances that underpin any Statement on Internal Control to ensure best practices;

(g) Review and advise on the appointment, performance evaluation and termination of the Director of IOO;

(h) Review and advise on the status of appointment, replacement, dismissal, terms and fees of an External Auditor;

(i) Review the External Auditor's work plans and the effectiveness of the external audit function;

(j) Review and discuss all relevant reports and management letters including reports of internal and external auditors on WMO's financial statements, risk assessment reports and other internal control reports;

(k) Assess the adequacy of assurances received from the Internal and External Auditors in their annual reports and opinions and highlight, as necessary, audit issues that may need further investigation or review with due considerations to confidentiality and due process;

(l) Review the timeliness and adequacy of the implementation by WMO management of recommendations of the internal and external auditor and UN Joint Inspection Unit (JIU);

(m) Review the adequacy of arrangements to prevent and detect fraud, and ensure an appropriate anti-fraud culture;

(n) Report on any failure by WMO management to comply with WMO regulations and the Organization's code of ethics and provide advice to the Executive Council on such issues, as appropriate;

(o) Evaluate and advise on WMO's Code of Ethics, whistleblower policy and other ethics-related policies as appropriate and advise on the appointment and dismissal process of the Ethics Officer;

(p) Review and advise on the governance, development and management of information technology systems that have an impact on financial management and reporting;

(q) Carry out as appropriate periodic self-assessments relative to the Audit and Oversight Committee's purpose, duties and responsibilities outlined herein and also review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Executive Council for approval;

(r) Assist and advise the WMO President and Executive Council Disciplinary Committee, as requested, on the disciplinary process or any associated points of law as established by the misconduct rules annexed to the contract of the Secretary-General.

(s) Assist and advise the WMO President and Executive Council Disciplinary Committee, as requested, on (a) assessing the investigation report and supporting information and any comments from the Secretary-General; (b) the recovery of financial losses suffered by the Organization; and (c) assessing potential or actual conflicts of interest of members of the Executive Council Disciplinary Committee;

(t) Perform any other duties consistent with the mandate as requested by the Executive Council.

3. Responsibility and liability of members

(4) Members shall act in an independent, non-executive capacity while performing their advisory role on the Committee. As such, members shall not be held personally liable for decisions taken by the Committee acting as a whole.

(5) The Committee has an advisory role and is not a governance body; no language or clauses in the Terms of Reference are intended to imply otherwise.

(6) It is not the Audit and Oversight Committee's responsibility to prepare and certify WMO's financial statements, to guarantee the external auditor's report, or to guarantee other disclosures by WMO. These are the fundamental responsibilities of management and the external auditor. The Audit and Oversight Committee members are not WMO employees and do not perform any operational functions

4. Audit and Oversight Committee powers and authority

(7) The Audit and Oversight Committee has the power, authority and the responsibility to review any activity relevant to these terms of reference including, but not necessarily limited to:

(a) Obtain all information and/or documents it considers necessary to perform its mandate including all internal and external audit reports;

(b) Request information generated from WMO's systems and require all WMO personnel to cooperate with any request made by the Committee in performing its mandate; and

(c) Invite specialists to supplement the Committee's experience or knowledge on a specialist matter;

(d) The Committee shall separately meet with the Director of IOO, Ethics Officer and the representatives of the External Auditor at least annually in a private session and can consult with their respective staff as needed;

(e) The Audit and Oversight Committee has the authority to establish their own rules and procedures in conformity with these Terms of Reference;

(f) The Committee can obtain independent professional advice and secure the attendance of outside persons with relevant experience and expertise if it is considered necessary.

5. Audit and Oversight Committee reporting

(8) The Audit and Oversight Committee shall report annually to the Executive Council and the Financial Advisory Committee (FINAC) and to the WMO Congress in a Congress year. The report should:

(a) Confirm that the Committee has discharged its mandate and report on its work for the year;

(b) Comment on the assurances underpinning the Statement on Internal Control;

(c) Comment on the financial statements and quality of financial reporting;

(d) Outline any concerns or observations the Committee deems necessary to report to the Executive Council, including any recommendations;

(e) Comment on the adequacy of the Committee's terms of reference and its effectiveness;

(f) Comment on how IOO addressed and identified high-risk areas through its work plan and the adequacy of its budget to carry out the said plan;

(g) Provide its views on the annual IOO report including its statement of independence.

6. Membership

(9) The Audit and Oversight Committee shall consist of seven members, each of whom shall serve in a personal capacity.

(10) The members shall be appointed by the Executive Council on the basis of their extensive professional expertise in financial, risk, audit, oversight, ethics, investigation and governance matters, including a balanced mix of public and private sector experience at the senior level. The Executive Council shall ensure that the membership as a whole has a blend of relevant expertise, including knowledge and understanding of the operational and strategic direction of WMO, its mandate, culture, legal framework and external environment. The Executive Council shall take into account the need for the Audit and Oversight Committee to have an appropriate geographical and gender balance in considering the most highly qualified candidates.

(11) The members must be independent of WMO management and may not hold any position or engage in any activity that might be liable to, or appear to, impair their impartiality in the execution of their functions.

(12) Former staff of WMO cannot be appointed to the Committee for at least five years following their separation from the Organization.

(13) Members shall serve for a period of three years and may be re-appointed for a further period of three years. No individual may serve for more than six years in total.

(14) Members shall not be remunerated by WMO for activities undertaken with respect to their membership of the Committee. WMO shall reimburse all committee members for any travel and subsistence costs that are necessarily incurred in relation to participation in Committee meetings.

7. Appointment of members

(15) The Audit and Oversight Committee members shall be appointed by the Executive Council through a transparent process as follows:

(a) A vacancy announcement for Audit and Oversight Committee seats should be advertised and made publicly available to a wide population of individuals with appropriate skills, including financial, accounting, budgeting and audit professionals;

(b) Qualified individuals are to submit their credentials for review to the Secretary-General. The Secretariat shall review the qualifications, determine whether they meet the minimum requirements needed to serve, and submit a list of candidates to the Executive Council;

(c) The Council shall appoint members of the Audit and Oversight Committee from the list of candidates compiled by the Secretariat and authorize the President to fill any positions that fall vacant during the intersessional period.

8. Access to meetings

(16) The meetings of the Audit and Oversight Committee shall be closed. The Chair shall normally invite the following persons to attend sessions of the Committee, as appropriate:

(a) Senior management representatives;

(b) Director of IOO;

(c) Legal counsel;

(d) Representatives of the External Auditor.

(17) The Committee shall, as required, hold in camera sessions with the Director of IOO and/or representatives of the External Auditor and/or the Secretary-General and the Ethics Officer.

9. Meetings

(18) The Audit and Oversight Committee shall meet twice a year. Additional sessions of the Audit and Oversight Committee may be convened at the request of the Executive Council or the WMO President, or by two thirds of the Audit and Oversight Committee members, to consider urgent matters within its mandate, some of which may be virtual meetings, either by videoconference or telephone. The members of the Committee shall normally be given at least ten (10) working days' notice of meetings.

(19) The quorum of the Committee shall be a majority of its members.

(20) The members should be present for meetings in person, if possible. Members may not appoint alternates or be accompanied by advisors to meetings of the Committee. However, with the permission of the Chair, a member may attend by videoconference or telephone and such participation shall be taken into account for the purpose of establishing a quorum. Such members may vote.

(21) The Secretary-General shall ensure that the Committee has adequate Secretariat support through the Internal Oversight Office, which shall include:

(a) Assistance to the Chair in preparing the agenda for each meeting;

(b) Preparation of documents for the meeting, which shall be circulated at least five working days before the scheduled opening of the meeting;

(c) Preparation of reports on summary conclusions and circulation of said reports to the Chair and members of the Committee who attended the meeting within five working days of the close of the meeting;

(d) Assistance to the Committee in preparing Audit and Oversight Committee reports to the Executive Council and other WMO bodies as appropriate;

(e) Any other reasonable requests from the Committee to assist it in executing its mandate.

(22) The Audit and Oversight Committee shall appoint a Chair and a Vice-Chair. If the Chair is not present at a meeting, the Vice-Chair shall preside the meeting and in case s/he is absent, members shall elect an acting Chair from among the members present.

(23) The Committee should strive to achieve decisions on a consensus basis of all members present as the desired option. Should there be a need, the Committee's decisions shall be made by the members present by voting and on the basis of a simple majority. Should the votes be equally divided, the Chair shall have the deciding vote.

10. Disclosure of interest

(24) All members of the Committee shall sign a statement of disclosure of interest. A register of interests shall be maintained by the Secretariat to record members' interests in general or on specific matters. Where an actual or potential conflict of interest arises, the interest shall be declared and shall cause the member(s) to either be excused from the discussion or abstain from voting on the matter. In such an event, a quorum shall be required from the remaining members.

11. Confidentiality

(25) All members of the Committee shall sign a statement of confidentiality. The deliberations of the Committee and the minutes of the meetings are confidential unless otherwise decided by the Chair. The documents and informational material circulated for the consideration of the Committee shall be used solely for that purpose and treated as confidential.

12. Indemnity of members

(26) The Committee members shall be indemnified from actions taken against them as a result of activities performed in the course of business of the Committee, as long as such activities are performed in good faith and with due diligence.

13. Effectiveness of the committee

(27) The Committee shall undertake a self-assessment review of its effectiveness preferably annually and an independent performance evaluation, periodically as appropriate. This review should consider the views of the Audit and Oversight Committee members, the Secretary-General, the IOO and External Auditors. This review should be documented in a report to the Executive Council and should include any actions for improvement.

(28) The Chair shall regularly interact with the WMO Secretariat and the Executive Council on the results of the Committee deliberations as well as on forthcoming issues relevant to business, as appropriate.

14. Administrative matters

(29) Financial support for participation by Audit and Oversight Committee members in meetings shall be provided by the Organization.

(30) The appointment of Committee members shall be confirmed by a letter from the WMO President, which should clearly outline the basis of appointment and cover responsibilities, conflict of interest, indemnities and reimbursement of expenses.

(31) The Secretary-General shall arrange for new Committee members to receive an appropriate briefing on the work of WMO.

(32) The Secretary-General shall ensure that Audit and Oversight Committee members receive ongoing briefings and other information on developments in the work of WMO to enable them to be well-informed and effectively discharge the mandate of the Committee.

(33) The Terms of Reference of the Committee must be published on the WMO website.

(34) The Committee periodically, and at least every three years, shall review the adequacy of its terms of reference, where appropriate recommending changes to the Executive Council for decision.