

## TIER II STANDARD FOR AUDITORS

### INTRODUCTION

1. This grade level standard illustrates the application of the ICSC Master Standard (Tier I) to a specific field of work of the United Nations common system: **Auditors**. It is divided into three sections:

- Definition of coverage;
- Summary factor rating chart;
- Grade level descriptions of typical duties and factor-by-factor evaluation rationales.

2. The Tier II standard for Auditors was developed in consultation with the representatives of the organizations and the staff taking into account existing organizational structures and job descriptions submitted by the organizations of the common system. Two consultation groups were convened by the ICSC secretariat to review the preliminary draft it had prepared: one in North America - New York (February 1982) and one in Europe - Geneva (March 1982). The North-American group was composed of job classification specialists and auditors from the United Nations Secretariat and UNDP, a classification specialists from PAHO and a representative of FICSA. The European group included one job classification adviser from WHO representing the Geneva-based organizations, auditors from UNESCO, WHO and ILO and a representative of FICSA. The CCAQ Sub-Committee on Job Classification considered the draft standard at its eighth (Vienna, November 1982), ninth (New York, May 1983) and tenth (Geneva, December 1983) sessions. The primary outcome of these reviews was that "**auditors**" was identified as a separate field of work i.e. distinct from that of "**accountants and financial analysts**". This was done in recognition of the fact that auditing work was no longer limited to accounting and financial aspects of management but also included operational aspects. The final product was circulated to organizations and staff representatives in December 1983.

3. The standard was promulgated by the International Civil Service Commission, with immediate effect, at its nineteenth session in March 1984.

## I - DEFINITION OF COVERAGE

4. This section serves to confirm the appropriateness of the job to the occupational category and field of work. The coverage of the standard is defined by reference to (a) the Common Classification of Occupational Groups (CCOG) narrative description of the field of work; (b) a listing or description of occupations specifically excluded from the standard; (c) further clarification of the distinctions between Professional and General Service work in the field of work; and (d) technical, organizational or other issues which are specific to the field of work.

### A. *Inclusions - CCOG definitions*

5. This field of work is defined as follows:

#### 1.A.21. Auditors

To plan and conduct audits and reviews of operations to evaluate their efficiency and effectiveness in achieving organization's objectives; ascertain the completeness, authenticity and proper maintenance of organization's financial records, in accordance with its regulations, rules, policies and procedures; review, by examination, inquiry and observation, organization's control systems, including those for safeguarding assets and preventing and detecting fraud and theft, in order to determine whether additional procedures might be required; obtain sufficient reliable evidence to constitute a reasonable basis for audit conclusions on the effectiveness of controls and degree of compliance with them, using discussion, observation, inspection and analytical review techniques; record the planning, supervision and conduct of the audit and control-systems review, the evidence relied on and the reasons for any significant audit decisions taken; report conclusions regarding operational efficiency and effectiveness, and recommend improvements in control systems or other action considered desirable.

### B. *Exclusions*

6. The standard is intended to cover only Professional positions in the auditors' field of work. The following types of Professional positions are excluded explicitly from coverage:

(a) Positions that perform specialized accounting or financial functions or conduct financial management operations and are categorized with accountants and financial analysts (1.A.01.);

(b) Positions that involve evaluation of operational aspects of management and organization, but which do not evaluate financial aspects of operations and are categorized with management and organizational analysts (1.A.02.a.);

(c) Positions that involve analysis of operating programmes to evaluate their effectiveness in achieving objectives which focus on the programme and perform analysis by applying substantive knowledge of the programme rather than by applying knowledge associated with a field such as auditors, and that are categorized with programme analysts (1.A.02.e.).

7. Professional auditor positions with duties that differ significantly from typical duties described in the Standard can be classified by application of the Master Standard (Tier I). In these cases, the Tier II Standard is useful for evaluation of parts of the job which fit within the Standard and as general information about the levels of work of Professional auditors.

### ***C. Guidelines for distinguishing between Professional versus General Service work***

8. Professional work in the auditing field of work is usually supported by the work of General Service staff or technicians in various specializations. Some of the operations performed in these non-Professional posts are very similar to some of the work of Professional posts. The initial step in distinguishing Professional from non-Professional is to compare the work of the post in question with the CCOG definition presented above.

9. If comparison with the CCOG definition of Professional work does not clearly identify a post as Professional or General Service, the post should be compared with the narrative description of Professional work which has been approved by the Commission and can be found in section VII of the CCOG.

### ***D. Issues in the field of work***

10. The CCOG definition above reflects the development within the United Nations of an audit process that, while originally financial in nature, extends to include all related aspects of management. The auditors' field of work has always implied a particularly stringent demand for independence and objectivity and is guided by generally accepted auditing standards which foresee that audits may encompass review of all of the following elements:

- Compliance, i.e., a review of financial transactions to determine whether they are in compliance with resolutions of the governing body, financial and staff regulations and rules, and administrative instructions.
- Economy and efficiency, i.e. an appraisal of the operational efficiency and economy with which financial, physical and human resources are utilized.

- Effectiveness, i.e., a review of programmes and activities financed from regular and extra budgetary resources to ascertain whether results or benefits are consistent with objectives, as set out in the medium-term plan, the programme elements and outputs, as set out in the programme performance report.

## II - GRADE LEVEL DESCRIPTIONS AND EVALUATION RATIONALES

### P-2 GRADE LEVEL

#### *A. Description of typical duties*

Carry out financial audits and segments of operational audits which cover diverse and dynamic accounting and control systems where electronic data processing is typically involved. Duties performed in relation to each activity audited include requirements for the auditor to:

- Assess reliability and effective use of internal controls and systems.
- Review implementation of accounting procedures in order to assess accuracy of accounts and records of transactions.
- Review conformity of obligations and expenditures with appropriations or other financial provisions, and with allotments issued.
- Recommend actions to improve or correct application of accounting or control procedures.
- Draft audit reports and maintain records and working papers.

## *B. Factor rating rationales*

### **I. PROFESSIONAL KNOWLEDGE**

#### **H. Theoretical knowledge**

First level university degree in business administration, accounting (or another related field) which provides a theoretical framework for analyses of conduct and reporting of business.

#### **V. Practical experience**

Professional audit or accounting experience at national or international level (or in combination) for a minimum of four years.

#### **D. Language knowledge**

A working language of the Organization.

### **II. DIFFICULTY OF WORK**

#### **H. Individual contribution**

Analyses records and draws conclusions, identifies contribution deficiencies, diagnoses causes and recommends how deficiencies might be remedied (e.g., changes in procedures).

#### **V. Complexity of work assigned**

Audits systems that are established, self-contained and of moderate scope or, as a team member, audits a comparable area which is a portion of a larger audit assignment.

### **III. INDEPENDENCE OF WORK**

#### **H. Guidelines**

Audit methods applied are well-established and precedented; guidelines specifically applicable to the audit situation, however, are not always available.

V. Supervisory Controls

Higher graded auditor communicates general audit approach; audit is conducted independently, findings and procedures are reviewed while the audit is in progress. Draft audit report is reviewed for soundness of conclusions and internal consistency.

**IV. WORK RELATIONSHIPS**

**Internal**

H. Skill

Gathers information relevant to audit; entry to audit site in unusual circumstances is arranged by supervisor.

V. Importance

Contacts extend throughout the Organization and to units outside the duty station.

**External**

H. Skill

Contacts with other members of the profession to stay abreast of practice in the field.

V. Importance

To exchange general information.

**V. SUPERVISORY RESPONSIBILITY**

H. Responsibility for support staff

May oversee the work of one support staff.

V. Responsibility for Professional staff

Normally, does not supervise work of Professional staff.

## VI. IMPACT OF WORK

### H. Effect on work

Within general framework provided by higher level auditors, decides approach to work on components of audit, proposes audit findings in regard to adequacy and efficiency of accounting or control procedures which include recommendations for improvements and remedial actions.

### V. Consequences of errors

A higher level auditor decides and reviews audit procedure and documentation, but may fail to detect an auditor's systematic error of interpretation (e.g., of financial rules) until the final report is drafted - at which point that portion of the audit would have to be redone. Assignments are of sufficient scope so that at the time errors are detected the amount of work to be redone may cause the audit organization to miss a deadline; or, in the case of off-site audits, redoing work may not be feasible and the scope of audit report may have to be reduced.



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**P-3 GRADE LEVEL**

*A. Description of typical duties*

Conduct independently audits of complex accounting and financial control systems or of similarly complex segments of operations; electronic data processing is typically involved. In relation to each activity audited, duties performed include requirements for the auditor to:

- Obtain information directly or indirectly through examination of records (which may be computerized) or by interviewing staff.
- Assess the reliability and effective implementation of internal controls and accounting or management systems.
- Review implementation of accounting systems to determine reliability in respect of producing accurate accounts and records of transactions.
- Review administrative actions for compliance with rules and directives and for effectiveness of procedures.
- Review the conformity of obligations and expenditures with appropriations or other financial provisions, and with the allotments issued.
- Recommend actions to improve or to correct implementation of accounting control procedures.
- Assess efficiency and effectiveness in the execution of operations of the unit(s) audited.
- Conduct discussions of a preliminary nature with heads of operations audited.
- Draft audit reports and recommendations and ensure that working papers and records are maintained.
- Appraise adequacy of follow-up action taken in respect to audit findings and recommendations.

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*B. Factor rating rationales*

**I. PROFESSIONAL KNOWLEDGE**

**H. Theoretical knowledge**

An advanced university degree in a relevant field or equivalent certification in auditing which provides knowledge sufficient to evaluate impacts of economic and environmental influences on organizational practices audited.

**V. Practical experience required**

Professional audit or accounting experience at national or international level (or in combination) for a minimum of six years.

**D. Language knowledge**

Two working languages of the Organization are required in order to conduct audits independently throughout the Organization.

**II. DIFFICULTY OF WORK**

**H. Individual contribution**

Analyses records and draws conclusions, identifies deficiencies, diagnoses causes, and recommends how deficiencies might be remedied (e.g. changes in procedures).

**V. Complexity of work assigned**

Assignment typically requires independent conduct of audits of a complex system of accounts or controls; considerable depth of treatment is required to detect errors, inefficiencies or possibilities for improvement and to analyse their causes.

**III. INDEPENDENCE OF WORK**

**H. Application of guidelines**

Audit methods applied are well-established and precedented; specifically applicable guidelines, however, are not always available.

**V. Supervisory control**

Develops approach to project jointly with supervisor, audit of assigned system is conducted independently, work is reviewed at critical project developments. End product is reviewed for soundness of conclusions.

**IV. WORK RELATIONSHIPS**

**Internal**

**H. Skill**

Credibility of findings and recommendations is best established during preliminary discussion of audit results with head of unit audited.

**V. Importance**

Contacts extend throughout the Organization and to units outside the duty station.

**External**

**H. Skill**

Outside contacts involve primarily exchange of information.

**V. Importance**

Contacts with other members of the profession to stay abreast of practices in the field, and with external auditors.

**V. SUPERVISORY RESPONSIBILITY**

**H. Responsibility for support staff**

May oversee the work of one support staff.

**V. Responsibility for Professional staff**

Normally, does not supervise work of Professional staff.

## VI. IMPACT OF WORK

### H. Effect on work

Decides methods of work used during audit. Proposes audit findings in regard to adequacy and efficiency of large or complex accounting or control systems, which include recommendations for improvements and remedial actions.

### V. Consequences of errors

Inadequate audit reports must be redone - which costs time and money. Assignments are of sufficient scope so that at the time errors are detected, the amount of work to be redone may cause the audit organization to miss a deadline; or, in the case of off-site audits, redoing work may not be feasible and the scope of the audit report may be reduced.

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**P-4 GRADE LEVEL**

*A. Description of typical duties*

Plan, organize, supervise and report on the work of an audit team and advise and direct staff assigned on a permanent or on a project basis. Audits conducted include regular and special financial and operational audits and usually encompass large or complex operations where electronic data processing is involved. Typically, several related audits or audit segments are ongoing at any one time. In relation to each source of funds or activity audited, duties performed include requirements for the auditor to:

- Plan the strategy, determine the audit procedures and scope of the audit and prepare an audit programme.
- Supervise subordinate auditors or other Professionals and assistants assigned to the team.
- Obtain information directly or indirectly through examination of records (which may be computerized) or by interviewing staff.
- Assess the adequacy and effectiveness of internal controls and accounting and management systems.
- Review implementation and performance of accounting systems in order to assess reliability in respect of producing accurate accounts and records of transactions).
- Review administrative actions for compliance with rules and directives.
- Review the conformity of obligations and expenditures with appropriations or other financial provisions and with the allotments issued.
- Recommend actions to improve or correct implementation or design of accounting and internal control systems.
- Assess efficiency and effectiveness of the administrative, procedural, or managerial dimensions of programmes and projects and assess attainment of stated objectives; recommend improvements.

- Conduct discussions of audit recommendations and findings at close of audits with heads of operations audited.
- Prepare audit reports recommending remedial action or improvements.
- Appraise adequacy of follow-up action taken in respect to audit findings and recommendations.

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*B. Factor rating rationales*

**I. PROFESSIONAL KNOWLEDGE**

**H. Theoretical knowledge**

An advanced university degree in a relevant field or equivalent certification in auditing which provided knowledge sufficient to evaluate impacts of economic and environmental influences on organizational practices audited.

**V. Practical experience required**

Professional audit or accounting experience at the national level which included some experience in managing these programmes for a minimum of six years and professional experience auditing management or finances (or managing these programmes) in an international organization for a minimum of three years.

**D. Language knowledge**

Two working languages of the Organization are required in order to perform audits independently throughout the Organization and discuss audit results directly with managers in various duty stations.

**II. DIFFICULTY OF WORK**

**H. Individual contribution**

Reviews work of professional auditors at lower grade levels.

**V. Complexity of work assigned**

Plans and conducts complex audits (e.g., special operational audits) which require analysis of a broad range of subjects in the course of detecting errors or inefficiencies, or developing suggested improvements, accomplishing audit objective typically requires coordinating several audit segments. Problems detected are often difficult to solve (e.g., elements necessary for resolution are often not available within the scope of the audit and must be found elsewhere).

### III. INDEPENDENCE OF WORK

#### H. Guidelines

Audit guidelines, procedures and strategies must be adapted to accommodate various audit situations.

#### V. Supervisory controls

Confers with supervisors regarding unusual approaches; end product is reviewed for attainment of project objectives.

### IV. WORK RELATIONSHIPS

#### **Internal**

#### H. Skill

Discusses audit findings as appropriate with heads or officials of units audited - advises them of accounting and management considerations and seeks to develop solutions to problems.

#### V. Importance

Audits any function or location of the Organization as appropriate.

#### **External**

#### H. Skill

Acquires routine information needed to complete audit.

#### V. Importance

Contacts include suppliers or government officials.

### V. SUPERVISORY RESPONSIBILITY

#### H. Responsibility for support staff

Typically supervises one support staff member on a continuing basis.



**V. Responsibility for Professional staff**

Typically supervises three Professional staff members on a continuing basis.

**VI. IMPACT OF WORK**

**H. Effect on work**

Within generally stated audit objectives and schedule, sets priorities; finds authoritatively on adequacy of accounting practices or controls; provides guidance in establishing adequate practices; suggests improvements in work flow or control systems for entire function, fund or organization audited.

**V. Consequences of errors**

Failure to detect a systematic error (e.g., systematic erroneous authorization of payment of a type of travel expenses) results in loss of money to the Organization and possible lessening of credibility with donor States when errors undetected by internal auditors are subsequently identified by external auditors; inadequate identification of causes of difficulties could result in installation of an over-elaborate control process which could detract from programme effectiveness.

**P-5 GRADE LEVEL**

*Alternative A - Branch or Unit Manager*

*A. Description of typical duties*

Direct and administer an internal audit operation which conducts regular and special financial and operational audits within an assigned portion of an organization; the portion assigned is equivalent in complexity and scope to the entirety of a United Nations common system organization, with some field units and a variety of accounting and control activities where electronic data processing is typically involved.

Duties performed include requirements for the auditor to:

- Develop and propose a plan for internal audit coverage of the assigned portion of the Organization, and direct implementation of the assigned portion of the approved plan which specifies schedule, scope and coverage of audits.
- Supervise auditors who themselves exercise continuing supervision over Professional auditors and who lead regular and special audits.
- Analyse guidelines and standards for internal audit activities in the course of ensuring consistency of approach and adequacy of practice of subordinate auditors and protecting their independence and objectivity; may recommend improvements to guidelines.
- Lead some especially sensitive and complex audits.
- Monitor selection and presentation of recommendations based on audits for major changes in procedures, work flow or organization, confer with officials about findings of major impact.
- Monitor assessment of adequacy of action taken by operating officials to correct reported deficient conditions; confer with officials to encourage appropriate action or recommend intervention by director of internal audit.

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**B. Factor rating rationales**

**I. PROFESSIONAL KNOWLEDGE**

**H. Theoretical knowledge**

An advanced university degree in a relevant field or equivalent certification in auditing which provided knowledge sufficient to evaluate impacts of economic and environmental influences on organizational practices audited.

**V. Practical experience required**

Professional audit or accounting experience combined with experience in managing these programmes for a minimum of six years at the international level.

**D. Language knowledge**

Two working languages of the Organization are required in order to perform audit work independently throughout the Organization.

**II. DIFFICULTY OF WORK**

**V. Individual contributions**

Plans, integrates and coordinates work of supervisory Professional auditors who lead audits.

**H. Complexity of assigned work**

Plans and conducts complex audits (e.g., special operational audits) which require analysis of a broad range of subjects in the course of detecting errors or inefficiencies, or developing suggested improvements, accomplishing audit objective typically requires coordinating several audit segments. Problems detected are often difficult to solve (e.g., elements necessary for resolution are often not available within the scope of the audit and must be found elsewhere).

**III. INDEPENDENCE OF WORK**

**H. Guidelines**

General audit guidelines must be adapted extensively to accommodate many audit situations; several related audit segments are ongoing simultaneously and requests for minor exceptions to

audit procedures are usually decided at this level (13); however, audit guidelines are most established by auditors at this level.

**V. Supervisory controls**

Audits are proposed and work is reviewed at (P); however, audit is conducted without consultation.

**IV. WORK RELATIONSHIPS**

**Internal**

**H. Skill**

Authoritatively advises chiefs of major organization segments or functions about alternative approaches to correcting deficiencies, or improving effectiveness and negotiates acceptable plans for improvement.

**V. Importance**

Internal audit extends as appropriate to all locations and functions of the Organization.

**External**

**H. Skill**

Contacts are for purpose of gathering information.

**V. Importance**

Requests are of a routine nature.

**V. SUPERVISORY RESPONSIBILITY**

**H. Responsibility for support staff**

Typically exercises continuing supervision over two support staff members. members.

V. Responsibility for Professional staff

Typically exercises continuing supervision over three Professional staff members.

**VI. IMPACT OF WORK**

H. Effect on work

Decides priorities and guidelines for conduct of internal audit and recommends changes in procedures or structure of organization units, funds or functions audited to improve efficiency and correct deficiencies.

V. Consequences of errors

An objective of internal audit is to prevent discrediting of organization's ability to control and effect appropriate expenditure of funds - failure to accomplish this goal could result in decreased willingness of donors or governments to contribute or cooperate in the Organization's mission; assertions which are based on inaccurate interpretations of data, or are later withdrawn due to inadequacy of procedures, damage credibility of audit programme and the operation audited may fail to correct deficiencies or to adopt recommended improvements and consequently receive a poor report from external auditors. The direct impact of errors is mediated through the activity of the director of internal audit.

**P-5 GRADE LEVEL**

*Alternative B - Chief of internal audit*

*A. Description of typical duties*

Direct and administer an internal audit function which addresses the financial systems and operations of a United Nations common system organization which has some field units and a variety of accounting and control activities where electronic data processing is typically involved.

Duties performed include requirements for the director to:

- Develop and propose the plan for internal audit coverage of the entire organization, and administer the implementation of the approved plan which specifies schedule, scope and coverage of audits.
- Supervise subordinate auditors who themselves exercise continuing supervision over Professional auditors and who lead regular and special audits.
- Establish and enforce formal guidelines and standards for internal audit activities and ensure consistency of audit approach and adequacy of audit practice, and protect independence and objectivity of auditors.
- Lead some specially sensitive and complex audits.
- Monitor selection and presentation of recommendations based on audits for major changes in procedures, work flow or organization, confer with top officials about findings of particularly great impact.
- Monitor assessment of adequacy of action taken by operating officials to correct reported deficient conditions, confer with top officials to ensure appropriate action, or recommend intervention by the executive head.
- Serve as a point of contact with external auditors and confer with them about their findings.

- Coordinate and recommend improvements in, or review proposed changes to the financial rules of the Organization.
- Represent the internal audit function of the Organization in meetings with top management or with representatives of the internal audit functions of other United Nations common system organizations.

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**B. Factor rating rationales**

**I. PROFESSIONAL KNOWLEDGE**

**H. Theoretical knowledge**

An advanced university degree in a relevant field or equivalent certification in auditing which provided knowledge sufficient to evaluate impacts of economic and environmental influences on organizational practices audited.

**V. Practical experience required**

Professional audit or accounting experience combined with experience in managing these programmes for a minimum of six years at the international level.

**D. Language knowledge**

Two working languages of the Organization are required in order to perform audit work independently throughout the Organization.

**II. DIFFICULTY OF WORK**

**V. Individual contributions**

Plans, integrates and coordinates work of supervisory Professional auditors who lead audits.

**H. Complexity of assigned work**

Plans and conducts complex audits (e.g., special operational audits) which require analysis of a broad range of subjects in the course of detecting errors or inefficiencies, or developing suggested improvements, accomplishing audit objective typically requires coordinating several audit segments. Problems detected are often difficult to solve (e.g., elements necessary for resolution are often not available within the scope of the audit and must be found elsewhere).

**III. INDEPENDENCE OF WORK**

**H. Guidelines**



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Provides authoritative interpretations of Professional accounting requirements, requirements of documents authorizing funds (e.g., the budget, trust fund agreements) and of relevant administrative and management requirements in order to analyse deficiencies; establishes internal audit guidelines and standards.

**V. Supervisory controls**

Develops and proposes the Organization's plan for conduct of the internal audit. Once plan is approved, audits are conducted independently. Management above the chief of internal audit is consulted during the progress of the audits only about problems of organization-wide impact. Effectiveness of audit is evaluated according to results delivered - most particularly considering reports of external auditors. The chief of internal audit reports directly to the Organization head concerning matters of substance.

**IV. WORK RELATIONSHIPS**

**Internal**

**H. Skill**

Authoritatively advises chiefs of major organization segments or functions about alternative approaches to correcting deficiencies, or improving effectiveness and negotiates acceptable plans for improvement.

**V. Importance**

Internal audit extends as appropriate to all locations and functions of the Organization.

**External**

**H. Skill**

Represents internal audit organization and the parent organization in dealing with external auditors during the course of their audits; confers and exchanges views of audit practices.

**V. Importance**

Contacts are with counterparts in other organizations and in external audit groups.

**V. SUPERVISORY RESPONSIBILITY**

**H. Responsibility for support staff**

Typically exercises continuing supervision over two support staff members. members.

**V. Responsibility for Professional staff**

Typically exercises continuing supervision over three Professional staff members.

**VI. IMPACT OF WORK**

**H. Effect on work**

Decides priorities and guidelines for conduct of internal audit and recommends changes in procedures or structure of organization units, funds or functions audited to improve efficiency and correct deficiencies.

**V. Consequences of errors**

An objective of internal audit is to prevent discrediting of organization's ability to control and effect appropriate expenditure of funds - failure to accomplish this goal could result in decreased willingness of donors or governments to contribute or cooperate in the Organization's mission; assertions which are based on inaccurate interpretations of data, or are later withdrawn due to inadequacy of procedures, damage credibility of audit programme and the operation audited may fail to correct deficiencies or to adopt recommended improvements and consequently receive a poor report from external auditors. As chief of internal audit, the incumbent negotiates overall audit coverage and reviews audit to ensure attainment of objectives.

**D-1 GRADE LEVEL**

*A. Description of typical duties*

Direct and administer the internal audit function which addresses the financial systems and operations of a United Nations common system organization which is relatively large in terms of its budget and number of staff; includes very diverse accounting and control activities due to its broad range of programmes and complex patterns of expenditure; uses electronic data processing; has delegated significant accounting and control activities to its field operations.

Duties performed include requirements for the director to:

- Propose the plan for internal audit coverage of the entire organization and administer the implementation of the approved plan which specifies schedule, scope and coverage of audits.
- Supervise subordinate audit supervisors who direct and administer a portion of the internal audit programme.
- Establish and enforce formal guidelines and standards for internal audit activities and ensure consistency of audit approach and adequacy of audit practice, and protect independence and objectivity of auditors.
- Monitor selection and presentation of recommendations based on audits involving major procedural, work flow or organizational changes, confer with top officials about findings of particularly great impact.
- Monitor assessment of adequacy of action taken by operating officials to correct reported deficient conditions, confer with top officials to ensure appropriate action, or recommend intervention by the Executive Head.
- Serve as a point of contact with external auditors and confer with them about their findings.
- Coordinate and recommend improvements in, or review proposed changes to financial rules and policies of the Organization.

- Represent the internal audit function of the Organization in meetings with top management or with representatives of the internal audit functions of other United Nations common system organizations.

### ***B. Factor rating rationales***

## **I. PROFESSIONAL KNOWLEDGE**

### **H. Theoretical knowledge**

An advanced university degree in a relevant field or equivalent certification in auditing which provides knowledge sufficient to evaluate impacts of economic and environmental influences on organizational practices audited.

### **V. Practical experience**

Professional audit or accounting experience combined with experience in managing these programmes in an international organization of over 10 years.

### **D. Language knowledge**

Two working languages of the Organization are required in order to be able to do audit work throughout the Organization.

## **II. DIFFICULTY OF WORK**

### **H. Individual contribution**

Plans, integrates and coordinates work of supervisory Professional auditors who direct and administer a portion of the internal audit function.

### **V. Complexity of assigned work**

Administers, directs and integrates an organization-wide audit plan which includes complex financial, administrative and operational audits, requiring analysis of a broad range of programmes. Integration of an effort of this scope and intricacy in such a way to produce results desired requires a great depth of analysis of the structure, operations and context of diverse systems which are dynamic and decentralized for an organization which has a relatively large budget, number of staff and field structure.



### III. INDEPENDENCE OF WORK

#### H. Guidelines

Provides authoritative interpretations of Professional accounting requirements, requirements of documents authorizing funds (e.g., the budget, trust fund agreements) and of relevant administrative and management requirements (e.g., Staff Rules) in order to analyse deficiencies; establishes internal audit guidelines and standards.

#### V. Supervisory controls

Develop and propose the Organization's plan for conduct of the internal audit; once plan is approved, audits are conducted independently; management above the director of internal audit is consulted during the process of the audits only about problems of organization-wide impact. Effectiveness of audit is evaluated according to results delivered - most particularly considering reports of external auditors. The director of internal audit reports directly to the executive head concerning matters of substance.

### IV. WORK RELATIONSHIPS

#### **Internal**

#### H. Skill

Authoritatively advises chiefs of major organization segments or functions about alternative approaches to correcting deficiencies or improving effectiveness and negotiates acceptable plans for improvement.

#### V. Importance

Internal audit extends as appropriate to all locations and functions of the Organization.

#### **External**

#### H. Skill

Represents internal audit division/department and the Organization as a whole in dealings with external auditors during the course of their audits; confers and exchanges views of audit practices.

V. Importance

Contacts are with counterparts in other organizations and in external audit groups.

V. **SUPERVISORY RESPONSIBILITY**

H. Responsibility for support staff

Typically exercises continuing supervision over six support staff members.

V. Responsibility for Professional staff

Typically exercises continuing supervision over eight Professional staff members.

VI. **IMPACT OF WORK**

H. Effect on work

Decides priorities and guidelines for conducting internal audits and, through subordinate supervisors, recommends changes in procedures or structure of segments of the Organization audited to improve efficiency and correct deficiencies affecting the activities of a large organization which incorporate a wide range of activity.

V. Consequence of errors

An objective of internal audit is to prevent discrediting of organization's ability to control and effect appropriate expenditure of funds - failure to accomplish this goal could result in decreased willingness of donors or governments to contribute or cooperate in the organization's mission; assertions which are based on inaccurate interpretations of data are later withdrawn due to inadequacy of procedures damage credibility of audit programme and the operation audited may fail to correct deficiencies or to adopt recommended improvements and consequently receive a poor report from external auditors. The director of internal audit negotiates overall audit coverage and oversees audit to ensure attainment of adequate results.

## Annex

### DETAILED RATIONALE OF RATINGS

#### Factor I - Professional knowledge required

(a) Theoretical knowledge

**Level 1.** For Professional auditor positions at the P-2 level, a university degree in business administration, accounting or another related field is required in order to provide the theoretical framework and vocabulary necessary to analysis of practices audited, e.g., to describe nature of deficiencies in procedures and to deduce their cause within the context of correct practices for the conduct and reporting of business.

**Level 2.** At levels above P-2, in addition to knowledge required at lower levels, theoretical preparation indicated by an advanced university degree in a relevant field, or by equivalent certification as an auditor (e.g., by the Institute of Internal Auditors) is required in order to take into account the impacts of the economic and organizational environment on conduct and reporting of business in such a way as to be able to anticipate acceptability of adapted practices to external auditors, monitoring host governments and other bodies.

(b) Practical experience

**All levels.** All Professional positions in the auditors' field of work require demonstrated ability to work constructively within the framework of an organization, particularly in respect to dealing with their findings, due to the sensitive nature of the function - i.e., to review records and operations for compliance and effectiveness. There is a further requirement for understanding of general protocols and organization operations, as during the information gathering process even the lowest level auditors are typically unaccompanied, and lack of such understanding might jeopardize the effectiveness of the audit - e.g., by asking inappropriate questions.

**Level B.** For P-2 positions, a minimum of four years of professional accounting or auditing experience is required; experience may have been national and/or international as positions in both situations are responsible for on-site collection of data and observation in relation to audits. Positions at the P-2 level operate within the framework of an audit approach rather than in accordance with specific instructions and judgement is required during the course of the audit and in analysing findings.



**Level C.** For P-3 positions, a minimum of six years of national and/or international professional experience in auditing or accounting is required in order to identify independently appropriate guidelines for application to audits of complex accounting systems or operations and in order to take appropriate decisions in the course of the audit (particularly about the extent to which to pursue a line of information) and in the course of analysis.

**Level D.** For P-4 positions, a minimum of six years (up to ten years) of national experience and a minimum of three years (up to five years) of international experience in professional auditing or accounting is required in order to lead an audit team (e.g., adapt appropriate audit approach, interpret audit guidelines) and to coordinate progress of several audits or audit segments.

**Level E. Alternative A.** P-5 auditor positions direct an assigned portion of an internal audit operation where the portion assigned is equivalent in scope and complexity to the entire audit programme of a United Nations common system organization with some field units and a variety of accounting and control activities, and require a minimum of six years of international experience in professional auditing or accounting in order to provide authoritative advice to top management in regard to improving effectiveness or compliance of large and complex functions.

**Level E. Alternative B.** For P-5 positions which direct and administer the internal audit programme of a United Nations common system organization with some field units and a variety of accounting and control activities, a minimum of six years of international experience in professional auditing or accounting which includes experience in managing these operations is required in order to anticipate the most effective audit plan and priorities for the organization and in order to anticipate and provide guidance needed by the audit function.

**Level G.** For D-1 positions a minimum of 10 years of international experience is required to direct and administer an audit programme which is more complex and larger in scope than that directed at the P-5 level, i.e., the internal audit programme directed at the D-1 level involves very diverse accounting and control activities and a significant delegation of authority throughout extensive field operations as well as the establishment of formal guidelines for the audit functions.

(c) Language knowledge

**Level 1.** Positions at the P-2 level require proficiency in a working language of the organization.

**Level 2.** Positions at the P-3 level and above require proficiency in two working languages of the organization in order to perform audit work independently throughout the organization and to speak directly to managers in various duty stations about audit results.

**Factor II - Difficulty of work**

(a) Individual contribution

**Level 5.** Analysis of operation of control procedures in order to diagnose problems, e.g., of application or interpretation, is a characteristic feature of the work of auditor; if analysis is not required, work in this field is not classified as Professional. The jobs of auditors at levels P-2 and P-3 all require analysis of procedures and identification of needed corrections or improvements - rather than taking action to endorse or correct work.

**Level 6.** Positions at level P-4 both oversee and endorse or correct the work of subordinate Professionals who themselves perform analytical work.

**Level 7.** Positions at levels P-5 and D-1 typically plan, integrate and coordinate the work of auditors engaged in overseeing and endorsing or correcting the work of subordinate Professionals performing analytical work.

(b) Complexity of assigned work

**Level I.** At levels P-2 and P-3 accounting or control systems, or segments of operations audited, are sufficiently complex (i.e., diverse or dynamic) so that interrelationships are not evident and diagnosis of needed corrections or improvements typically requires in-depth analysis; problems which clearly extend beyond the scope of the audit are referred to the supervisor.

**Level J.** At levels P-4 and P-5, accounting and control system or operations typically are so complex and of such scope as to require accomplishment through coordination of several audit segments in order to gather information sufficient to support adequate analysis and frequently involve audit issues of great sensitivity, also, problems are often difficult to solve.

**Level K.** At level D-1, the audit programme directed is so broad as to encompass segments with characteristics as described at rating J, all of which must be integrated into an audit programme; decentralization of systems makes problems more difficult to define and improvements recommended more difficult to evaluate.

### **Factor III - Independence of work**

(a) Guidelines

**All levels.** Guidelines followed by all auditors include the financial and other rules of the organization. However, as the work of audit is concerned not only with internal integrity of functions but, particularly at levels P-3 and above, also with standards acceptable to external bodies (e.g., external auditors, host governments), guidelines considered include international standards of

audit practice of generally accepted accounting principles (i.e., the standards of the Institute of Internal Auditors).

**Level 11.** At levels P-2 and P-3, audits are carried out independently using methods that are well-precedented and established; however, guidelines are not always available to cover situations encountered during audit.

**Level 12.** At level P-4, guidelines must be interpreted and adapted to guide the work of other auditors in unusual or complex situations.

**Level 12/13.** At the P-5, alternative A level, work typically requires interpretation and adaptation of guidelines to formulate and carry out the organization's audit plan (13); the work does not require the establishment of internal audit guidelines (12).

**Level 13.** At the P-5 alternative B, and the D-1 levels, the audit programme is of such scope and complexity as to require the establishment of formal internal agency audit programme standards and guidelines in addition to frequent interpretation and adaptation of overall financial and control guidelines.

(b) Supervisory controls

**Level N.** At the P-2 level, the audit approach is set by a higher level auditor, and while the audit is conducted independently, work is reviewed in progress and the draft audit report is reviewed for soundness of conclusions and consistency.

**Level O.** At the P-3 level, auditors develop the audit approach jointly with the audit supervisor and proceed independently to conduct the audit; audit methods, and impact of available audit findings on audit approach to be followed are reviewed at critical project milestones or in response to exceptional developments; draft audit report is reviewed for soundness of conclusions.

**Level P.** At the P-4 level, the auditor proposes a plan to accomplish identified purposes and to produce desired results; audit reports are reviewed for attainment of audit objectives.

**Level P/Q.** The auditor at P-5 alternative A level functions much as described for P-4 (P); however, in addition, he typically does not consult about the conduct of audits in progress (Q).

**Level Q.** For the P-5 alternative B, and the D-1 levels, the audit programme of the organization is conducted independently after consultations resulting in development of the overall audit plan, and work is evaluated in respect of attainment of objectives (particularly in respect to comments of external auditors *et al*). Directors of internal audit typically report on matters of substance directly to the head of the organization.

### Factor IV - Work relationships

(a) Contacts INSIDE the Organization - skills

**Level 16.** At level P-2, contacts outside the audit organization are for the purpose of gathering information and are constrained by the protocols for conduct of audits in organizations.

**Level 17.** At level P-3, auditors typically conduct a preliminary discussion of audit results with the head of the organization or function audited and attempt to establish the basis for acceptance of audit results by persuading that official of the credibility of the findings.

**Level 18.** At level P-4, auditors discuss audit results with heads or officials of organizations or functions audited, advise them of accounting and management considerations and seek a common ground for the resolution of problems identified during audit within the framework as agreed by senior audit officials.

**Level 19.** At the P-5 and D-1 levels, auditors provide authoritative advice concerning alternative approaches to correcting deficiencies or implementing recommendations for improvement.

(b) Contacts INSIDE the Organization - importance

**Level S.3.** At all levels, internal audit extends, as appropriate, to all locations and functions of the organization.

(c) Contacts OUTSIDE the Organization - skills

**Level 16.** At levels P-2 through P-4 and for P-5, alternative A, contacts of auditors outside the organization are made in order to exchange information as necessary for personal development such that the auditor operates on the basis of current information about audit practice; additionally, he may request routine information from vendors or other organizations for use in audits.

**Level 18.** At levels D-1 and for P-5, alternative B, directors of internal audit function represent the organization to external auditors or others inquiring about the audit programme, and may develop with them technical alternatives for considering their suggestions about the organization's control procedures; directors of internal audit represent the internal audit function of their organization to other United Nations common system organizations.

(d) Contacts OUTSIDE the Organization - importance

**Level T.2.** At levels P-2 through P-4 and for P-5, alternative A, the auditors' outside contacts consist in exchanging generalized information about audit principles and practices, or requesting routine information from vendors or other agencies.

**Level T.3.** At levels D-1 and for P-5, alternative B, auditors represent the organization's internal audit function to counterparts in other organizations (i.e., to confer in regard to issues of interpretation of generally accepted auditing practice) or to external auditors.

**Factor V - Supervisory responsibility**

**Level 22-U.** At levels P-2 and P-3, auditors typically supervise staff only on an *ad hoc* project basis.

**Level 22-V.** At level P-4, in addition to staff assigned on an ad hoc basis, provide continuing supervision to one support staff member and staff members.

**Level 23-V.** At level P-5, in addition to staff assigned on an ad hoc basis, provide continuing supervision to two support staff members and staff members.

**Level 23-W.** At level D-1, in addition to staff assigned on an ad hoc basis, auditors typically provide continuing supervision to six support staff members and eight Professional staff members.

**Factor VI - Impact of work**

(a) Effect on work

**Level 31.** At the P-2 level, auditors select methods of work within a general audit approach defined by higher level auditors; P-2 level auditors propose audit findings which evaluate the adequacy of operation of existing control procedures and which propose needed improvements.

**Level 31/32.** At the P-3 level, auditors select methods of work within a general audit approach defined by higher level auditors (31); P-3 level and P-4 level auditors propose audit findings which evaluate the adequacy of operations and controls pertaining to an entire segment of a function, fund, or organization characterized by complex controls (32).

**Level 32.** At the P-4 level, auditors develop an audit approach to conduct audits within a broad framework of audit objectives and within schedule requirements (32).

**Level 33.** At the P-5 level, auditors manage and coordinate several audit segments to accomplish the audit objectives, set priorities and provide authoritative interpretations of accounting and control practices; they propose improvements in control systems of entire functions, funds, or organizations with a variety of accounting and control activities and some field units which constitute major systems of the organization.

**Level 34.** At the D-1 level, the audit programme of the organization constitutes a major system to ensure control largely due to complexities introduced by decentralization and exceptional diversity of funds and functions; the director of internal audit in such an organization sets standards and establishes guidance for the audit programme. Proposals are based on audits directed and coordinated by subordinate supervisory auditors and any audit may affect a wide range of the activities of an organization which has a large budget and large numbers of staff, considerable delegations to its field structure and a broad range of programmes.

(b) Consequences of errors

**Level d.** At the P-2 and P-3 levels, errors of observation or of breach of protocol during on-site information gathering are not preventable and would typically damage the objectives of the audit unit, as audits would, for example, fail to detect deficiencies in control operations, or acceptability of results may be jeopardized by giving an impression of bias.

**Level e.** At the P-4 and P-5 (alternative A) levels, audits are of such scope and are carried out with sufficient independence so that errors cause noticeable damage to the programmes of the organization, particularly in terms of time and money, e.g., if defects in control operations are not detected and improvements not suggested.

**Level f.** At the P-5 (alternative B) and D-1 levels, the director of internal audit negotiates internal audit coverage and implementation of audit findings of major impact; errors may cause significant damage to the programme of the organization as external audit results may reflect poorly on the organization's commitment to conduct business responsibly.

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