Briefing on the OAI GEF Audit and Related Matters

UNDP Executive Board
16 March 2021
UNDP’s line of accountability for VF Partnership

- Country Office
- Regional Hubs & BPPS Nature, Climate and Energy Unit
- BPPS, BMS and other Central Bureaus
- Delegated authority to manage and safeguard VF portfolio
- Extended oversight measures / Suspend / Revoke Delegation to COs / Cancel
- 3 times a year review of the portfolio with UNDP's Regional Bureaus
- Corporate level risk review and management, oversight of operational and programmatic risks
GEF Audit Management Actions: Key Issues

- Internal Control Framework
- Procurement Management
- Risk Monitoring Incl. from IP audits
- Assurance Activities Financial Transactions
- AML/CFT Policy Finalize and Approve
- SOPs & Guidance POPP/PPM
- Oversight Roles DOA, RACI, etc.
- Assessing Capacity CO & IP
Status of Implementation of the 31 Management Actions

- **In Progress**: 58%
- **Closed**: 36%
- **Completed**: 6%

**https://www.unpd.org/gef-audit-transparency**

- UNDP inter-bureau task force at work
- Enhanced monitoring by UNDP Organizational Performance Group (OPG)
- All UNDP Country offices are currently being sensitized via trainings (twice a week)
- Corporate Performance Unit was established in the Executive Office

**Sensitization webinars**
26 Jan - 15 Mar

**11** Participants (on avg.)

**42%** 30 Dec 2020 | 42% 31 Jan 2021 | 55% 30 Apr 2021 | 70% 30 Jun 2021 | 94% 30 Sep 2021 | 31 Dec 2021
Independent External Assessments

**EY Assessment** (focused on GEF Portfolio)

**BDO (UK) Assessment** (focused on GCF Portfolio)

- **Alignment of UNDP’s policy framework with GEF/GCF policies and fiduciary standards**

- **Application of UNDP and Fund Specific Policies at the Country Level**

5 Regions
Additional Risk Management

Risks associated with IPs
- Micro-assessments of IP risks (independent 3rd parties)
- Annual Project Implementation Reviews (PIRs)
- Spot checks on implementation
- Audits of National Partners (based on risk)
- Requesting Independent OAI review/investigation

Managing risks within UNDP
- Audit of UNDP COs (where UNDP provides HR/procurement support to National Partner)
- BPPS Risk Dashboard & annual review by Risk Committee
- Work with Regional Bureaus to strengthen CO oversight
- Country Office needs/capacity assessments (NEW!)
Overview of Ongoing Workstreams

- **GEF Checklist** (assurance to GEF Sec that projects are not at risk of issues raised in the audit)
- **Implement GEF Audit Management Actions**
- **Staff Sensitization and Application of policy changes/updates**

**2020**
- **Dec**
- **Jan**
- **Feb**
- **Mar**
- **Apr**
- **May**
- **Jun**
- **Jul**
- **Aug**
- **Sep**
- **Oct**
- **Nov**
- **Dec**

**2021**
- **Jan**
- **Feb**
- **Mar**
- **Apr**
- **May**
- **Jun**
- **Jul**
- **Aug**
- **Sep**
- **Oct**
- **Nov**
- **Dec**

- **GEF 3rd Party Review of UNDP’s compliance with GEF’s Fiduciary Standards**
- **BDO/Moore Stephens Review of UNDP’s Fiduciary Standards**
- **EY’s review of UNDP’s compliance with GEF’s Fiduciary Standards**
- **UNDP Re-Accreditation to GCF**
- **UNDP’s Compliance with GEF Fiduciary Standards**
- **Preparing and submitting documents for GCF Re-accreditation**
- **2021 OAI Audit on Implementing Partners**
- **2021 OAI follow-up audit of UNDP and management of GEF resources (Phase 1)**
- **2021 OAI follow-up audit of UNDP and management of GEF resources (Phase 2)**
- **GEF related workstreams**
- **GCF related workstreams**
- **UNDP capacity building**
- **2021 OAI audit**
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