



The Institute of
Internal Auditors

ifaci
Certification



U N
D P

UNITED NATIONS DEVELOPMENT PROGRAMME
INTERNAL AUDIT - EXTERNAL QUALITY ASSESSMENT

Report - September 2022

The IIA Independent Assessment Team would like to thank the entire OIA team and UNDP stakeholders for their valuable contribution to this External Quality Assessment.

“Development is about change, about charting new paths forward into the unknown...”

– *2030 Agenda for Sustainable Development*

“Real results will emerge when we realize the power of combined individual actions and voices to effect change.”

– *Achim Steiner, Administrator, UNDP*

page

3



1. EXECUTIVE SUMMARY

6



2. STAKEHOLDER FEEDBACK

8



**3. RECOMMENDATIONS FOR OAI
AND BROADER INSIGHTS**

21



4. SUMMARY BY STANDARD

31



5. APPENDICES

5.1 EQA: Objectives, Scope, Methodology, Opinion

5.2 Glossary



1

SECTION

EXECUTIVE SUMMARY

UNDP - Internal Audit
External Quality Assessment – September 2022



The Institute of
Internal Auditors

Standards Sections	Attribute Standards				Performance Standards							 IIA Code of Ethics	
Standard Categories	 1000 Purpose, Authority, and Responsibility	 1100 Independence and Objectivity	 1200 Proficiency and Due Professional Care	 1300 Quality Assurance Improvement Program	 2000 Managing the Internal Audit Activity	 2100 Nature of Work	 2200 Engagement Planning	 2300 Performing the Engagement	 2400 Communicating Results	 2500 Monitoring Progress	 2600 Resolution of Risks Acceptance		
Conclusions	Generally conforms	Generally conforms	Generally conforms	Generally conforms	Generally conforms	Generally conforms	Generally conforms	Generally conforms	Generally conforms	Generally conforms	Generally conforms		Generally conforms
Overall opinion	Generally conforms												

Notable OAI accomplishments

- The audit activity of the OAI generally conforms with the International Professional Practice Framework and the Code of Ethics of the Institute of Internal Auditors.
- OAI is recognised for its professionalism, thoroughness, independence, and transparency in an environment of increasing scrutiny (Standards 1000).
- A highly experienced, qualified, decentralised, global team, aligned with organization’s structure (Standards 1200).
- Commitment to and investment in continuing professional development (Standard 1230).
- Commitment to quality assurance (Standards 1300).
- A well structured approach to a complex and varied audit universe (Standards 2000).
- Risk-based annual planning process and engagement level planning leverages management risk assessments (Standards 2000).
- Data analysis capacity (the “Dashboard”) and performance auditing are strengths (Standard 1210).

Recommendations for OAI

- Leverage and communicate strategic work of IA, continue to develop transversal and entity-level perspectives, to bolster OAI’s Third Line role and realise OAI’s strategic value.
- Improve communications to ensure that key messages are conveyed effectively and succinctly.
- Consolidate and document audit operating procedures and continue to develop the audit methodology.
- Continue to improve the quality and automation of working papers.
- Adopt an Assurance Map for IT governance, leveraging and adding value to ITM’s governance model. Consider adopting a recognised standard model (such as COBIT, ITIL or other) to structure the approach to assurance over IT.
- Continue to develop and implement OAI’s Learning Policy to align the investment in continuing professional development with OAI’s skills needs. Consider adopting a competency matrix.
- Consider enhancing budgeting and performance monitoring.
- Leverage root cause analysis more often.

Broader insights

- Consider taking steps to develop further the oversight, independence, and governance of OAI, the role of the AEAC, the EB, in response to ever increasing scrutiny.
- Revisit the role of IA in the Three Lines model, including its assessment of the First and Second Lines, and its overall opinion on governance, risk management and control. Consider adopting an Assurance Map model.

Opinion of the IIA Evaluation Committee

- It is the opinion of the IIA Evaluation Committee that the internal audit activity of the Office of Audit and Investigations of the UNDP generally conforms with the International Professional Practice Framework and the Code of Ethics of the Institute of Internal Auditors. The Opportunities for continuous improvement include key suggestions for maintaining and developing the internal audit proficiency as part of its quality improvement programme.

IIA Standards	GC	PC	NC	NA	Reference to recommendations / insights
1000 - Purpose, Authority, and Responsibility & 1000.A1	GC				3.1.1
1010 - Recognition of the IPPF in the Internal Audit Charter	GC				
1100 - Independence and Objectivity	GC				3.2.1
1110 - Organizational Independence	GC				3.2.1
1110.A1 - Free from interference	GC				3.2.1
1111 - Direct Interaction with the Board	GC				3.2.1
1112 - Chief Audit Executive Roles Beyond Internal Auditing	GC				
1120 - Individual Objectivity	GC				
1130 - Impairment to Independence or Objectivity	GC				
1200 - Proficiency and Due Professional Care	GC				
1210 - Proficiency	GC				3.1.6
1210.A1 Obtain competent advice and assistance	GC				
1210.A2 Fraud	GC				
1210.A3 Systems	GC				3.1.5
1220 - Due Professional Care	GC				
1220.A2 Systems	GC				
1230 - Continuing Professional Development	GC				3.1.3, 3.1.6
1300 - Quality Assurance and Improvement Program	GC				3.1.2
1310 - Requirements of QA & Improvement Program	GC				
1311 - Internal Assessments	GC				3.1.2
1312 - External Assessments	GC				
1320 - Reporting on Quality Assurance & Improvement Program	GC				
1321 - Use of "Conforms with the IPPF"	GC				
1322 - Disclosure of Nonconformance	GC				
2000 - Managing the Internal Audit Activity	GC				3.1.1
2010 - Planning	GC				
2010 - Systems	GC				3.1.5
2020 - Communication and Approval	GC				
2030 - Resource Management	GC				3.1.6, 3.1.7
2040 - Policies and Procedures	GC				3.1.3, 3.1.8
2050 - Coordination	GC				3.1.5
2060 - Reporting to Senior Management and the Board	GC				
2070 - External Service Provider	GC				
2100 - Nature of Work	GC				3.1.1
2110 - Governance	GC				3.1.1, 3.1.5
2110.A1 Ethics	GC				
2110.A2 Systems	GC				3.1.5
2120 - Risk Management	GC				3.1.1
2120.A1 Systems	GC				3.1.1
2120.A2 Fraud	GC				3.1.1
2130 - Control	GC				3.1.1
2130.A1 Systems	GC				3.1.1

IIA Standards	GC	PC	NC	NA	Reference to recommendations / insights
2200 - Engagement Planning	GC				3.1.1
2201 - Planning Considerations	GC				3.1.1
2210 - Engagement Objectives	GC				
2220 - Engagement Scope	GC				
2220.A1 Systems	GC				
2230 - Engagement Resource Allocation	GC				3.1.7
2240 - Engagement Work Program	GC				
2300 - Performing the Engagement	GC				
2310 - Identifying Information	GC				
2320 - Analysis and Evaluation	GC				3.1.8
2330 - Documenting Information	GC				3.1.3, 3.1.4
2340 - Engagement Supervision	GC				3.1.7, 3.1.8
2400 - Communicating Results	GC				3.1.1
2410 - Criteria for Communicating	GC				3.1.8
2420 - Quality of Communications	GC				3.1.2
2421 - Errors and Omissions	GC				
2430 - Use of "Conducted in Conformance with the IPPF"	GC				
2431 - Engagement Disclosure of Nonconformance	GC				
2440 - Disseminating Results	GC				3.1.2
2450 - Overall Opinions	GC				3.2.2
2500 - Monitoring Progress	GC				
2600 - Resolution of Senior Management's Acceptance of Risks	GC				
Code of Ethics	GC				

Legend	
GC	Generally conforms
PC	Partially conforms
NC	Does not conform
NA	Not applicable/not assessed
GTC	Gap to conformance
OCI	Opportunity for continuous improvement



2

SECTION

STAKEHOLDER INTERVIEWS

UNDP - OAI

External Quality Assessment – September 2022



The Institute of
Internal Auditors

We conducted 17 interviews with a range of stakeholders and their teams, to gain insights into their perceptions of the UNDP Internal Audit activity. We have carefully considered their input in our assessment, recommendations and broader insights, and have provided OAI with a summary of feedback drawn from those discussions.

Name	Position
Yoka Brandt	President of the UNDP Executive Board
Achim Steiner	Administrator, UNDP
Usha Rao-Monari	Associate Administrator, UNDP
Ahunna Eziakonwa	Assistant Administrator and Director, Regional Bureau for Africa
Mirjana Spoljaric Egger	Assistant Administrator and Director, Regional Bureau for Europe and the CIS
Kanni Wignaraja	Assistant Administrator and Director, Asia and the Pacific
Khalida Bouzar	Assistant Administrator and Director, Regional Bureau for Arab States
Luis Felipe López-Calva	Assistant Administrator and Director, Regional Bureau for Latin America and the Caribbean
Michele Candotti	Chief of Staff
Haoliang Xu	Assistant Administrator and Director, BPPS
Angelique Crumbly	Assistant Administrator and Director, BMS
Andrew Rizk	Chief Financial Officer and Director, OFM
Oscar A. Garcia	Director, Independent Evaluation Office
Sylvain St-Pierre	Chief Technology Officer, ITM
Alessandro Maggi	Director, Ethics Office
Franck Bessette	Assistant Director. Board of Auditors (Cour des comptes de la République française)
Fayez Choudhury	Chair of the Audit and Evaluation Advisory Committee (AEAC)



UN
DP

3

SECTION

RECOMMENDATIONS FOR OAI AND BROADER INSIGHTS

UNDP - Internal Audit
External Quality Assessment – September 2022



The Institute of
Internal Auditors



3.1

RECOMMENDATIONS FOR OAI

SECTION

UNDP - Internal Audit
External Quality Assessment – September 2022



The Institute of
Internal Auditors

Observation

OAI has built a strong, highly qualified IA team whose objective perspective, unfettered access, broad insights and coverage, and pragmatic approach is valued and respected by the organization, as evidenced through auditee feedback gathered by OAI and our independent stakeholder interviews. Both OAI's detailed work at the operational level and their viewpoints on transversal topics are seen as essential and are particularly appreciated as an "early warning system", not least given UNDP's decentralised structure.

However, senior stakeholders also perceive that internal audit activity often focuses on the "transactional" level rather than taking the wider, strategic view, and that OAI tends to be "vertically" oriented rather than taking a "horizontal" or transversal view.

We acknowledge that OAI has conducted cross-cutting audits, such as audits of the Regional Bureau of Arab States (2022), the Office of Human Resources (2022), and UNDP Executive Office, the Clustering process and COVID-19 impact, Vendor Management, Regional Hubs and Enterprise Risk Management. In addition, OAI has delivered aggregating / consolidating reports from detailed work, including those covering: DIM Project Audits (2020), Review of NGO/NIM reports of GEF-funded projects (2021) and Audits of PRs and Sub-Recipients. In 2022, OAI also began conducting Regional Thematic Audits of various practices at regional levels.

Some stakeholders' perceptions appear not to reflect this work, and therefore, we question whether the perception is as much a result of communications and how OAI aligns its work with the organization's strategic goals, as it is due to the substantial nature of OAI's audit activity itself.

Related Standards

Opportunities for continuous improvement: 2000, 2100, 2110, 2120, 2120.A1, 2120.A2, 2130, 2130.A1, 2200, 2201, 2400

Recommendation

As stated in "Standard 2100 – Nature of Work, the internal audit activity must evaluate and contribute to the improvement of the organization's governance, risk management, and control processes using a systematic, disciplined, and risk-based approach: Internal Audit's credibility and value are enhanced when auditors are proactive and their evaluations offer new insights and consider future impact."

In addition to continuing to develop its substantial coverage of strategic and transversal issues, OAI should consider carefully how it could improve its communication of findings on these matters, such that stakeholders are aware of and where appropriate, rely on OAI's assurance related to the organization's strategic objectives.

OAI should also consider its substantial approach to strategic-level reporting. In addition to continuing to aggregate detailed, "bottom-up" audit findings (often of the "First Line"¹) into broader horizontal observations, IA should also continue to develop its separate, strategic level, top-down / "Second Line"¹ audits of regional and entity level processes. The Regional Thematic Audits initiated in 2022 and the the 2021 ERM audit are good examples of such projects. Future audits of entity level processes could certainly include, on a rotational basis, corporate governance, ERM, internal controls, ethics (including fraud risk), and IT governance, with reference to COSO and other relevant models and benchmarks. This work should be designed to anticipate the evolving maturity of the organisation.

Through continuing to improve the effectiveness of communication of strategic level insights and assurance, continuing to develop its consolidated view of detailed audits of relevant themes, and further developing the programme of transversal audits aligned with the organization's strategic objectives, OAI could bolster its "Third Line"¹ role and thereby deliver even more strategic value to the organization.

1. *The IIA's Three Lines Model*, The Institute of Internal Auditors, July 2020. See also *Leveraging COSO across the Three Lines of Defense*, COSO, July 2015.

OAI Action Plan

3.1.2 More effective communications

Observation

While the substance, thoroughness, and fact-based nature of OAI's work is widely appreciated amongst UNDP stakeholders, they also characterize audit communications as being very lengthy, wordy, and lacking the "punch" that they would appreciate. While reports contain valuable findings, those findings can often be diluted or even lost in the often ambiguous style. Therefore, OAI is not as effective as it might be in delivering key messages to the business, creating an understanding of OAI's work and role amongst stakeholders, and engendering improvement actions.

We also made the specific observation that audit reports are often subject to substantial change between their initial presentation to auditees and their final issue. Audit reports are drafted in the field and agreed with auditees before submission to OAI's Quality Assurance and Policy Unit (QAPU) for review, designed to ensure consistency in reporting and that the underlying work meets quality standards. We observed that some 80% of the 21 reports we reviewed were changed significantly, often including a change to the overall rating (usually a downgrade), by QAPU. In relation to what we often see in analogous processes in other audit activities, this frequency appears to be inordinately high. The fact that reports often change is a source of frustration for auditors and auditees, and undermines auditee confidence.

Related Standards

Opportunities for continuous improvement: 1300, 1311, 2400, 2420, 2440

Recommendation

Communications must be constructive and timely; therefore, OAI should consider analysing the underlying reasons for frequent changes between the end of fieldwork and final reporting. The root causes for these changes should be addressed, for example, through training, to reduce auditee and audit team frustration and thereby increase confidence in the audit process.

More broadly, OAI should consider working with a specialist communications advisor to explore how revised reporting and other methods could improve message delivery and thereby better realize the benefits of OAI's work. Particular attention should be given to preparing executive summaries that succinctly convey the essence of the report in a few bullets, diagrams, or paragraphs. OAI may also explore alternative reporting formats such as presentations, rather than or in addition to prose, and further develop its multi-media / podcast innovations.

OAI Action Plan

Observation

OAI currently has a range of Standard Operating Procedures (SOPs) and Country Office Audit Guidelines (COAGs) that address detailed approaches to audit procedures; this collection of discrete procedures, accreted over the years, makes up the OAI audit methodology. We observed that there is no overview of the methodology. There is no index to the various SOPs and COAGs to facilitate a broad understanding to the uninitiated user. Further, we observed that the intranet site where SOPs and COAGs are presented, does not necessarily contain the latest documents.

Recommendation

We would expect a large, mature internal audit activity to have a formal internal audit operations manual that includes policies and procedures.

We recommend that OAI consider comprehensively documenting its audit methodology, currently in the form of SOPs and COAGs, to facilitate better understanding of the overall process amongst audit teams and other stakeholders. The most common form for such documentation is an audit manual. As a minimum, we would expect OAI to prepare a summary index of SOPs and COAGs, such that a reasonably informed reader could gain an overview of the methodology, and that OAI maintain a reliably up-to-date catalogue of these documents.

Related Standards

Opportunities for continuous improvement: 1230, 2040, 2330

OAI Action Plan

Observation

In our review of 21 engagement files, we observed that working paper quality is inconsistent, and varies depending on Regional Audit Centre (RAC). For example:

- Cross referencing to supporting documentation is not consistent, rendering effective review of files difficult;
- Evidence of review, supervision and signoff is not readily visible at the workpaper level; and
- Root cause analysis appears inconsistently across files (see Recommendation 3.1.8).

Quality and consistency of working papers requires a culture of audit quality and process, supported by training and consistent quality review feedback. It could also be reinforced and aided through audit tool functionality.

In its current form, OAI's in-house developed audit tool, SHAPE, is primarily a document depository and does not offer, for example:

- Automated cross referencing
- Work flow management
- Sign off
- Planning and monitoring
- Integration and management of internal controls assessment

Related Standards

Opportunities for continuous improvement: 2330

Recommendation

OAI should consider how it can improve the consistency and overall quality of audit files, specifically with regard to referencing, audit trails, evidence of review and sign-off, through such measures as standard setting, training, and quality assurance feedback.

As we understand that OAI is at a crossroads in deciding the future of SHAPE, we recommend that the need for fundamental audit tool functionality, including effective and efficient referencing, workflow, sign off mechanisms, and other functionality available in modern audit tools, be weighed carefully.

OAI Action Plan

Observation

OAI perform an IT risk assessment as part of its annual planning exercise. That process lists a series of audit domains that is a mix of IT projects and areas of general controls over IT and drives scoping decisions for the IT internal audit annual work plan.

Based on our experience, best practice, and guidance provided by the IIA, we would expect OAI to have based its approach to the IT “audit universe” (the comprehensive list of IT domains) on a recognized framework, such as COBIT, ITIL or the framework applied by UNDP’s IT function, ITM. We would have also expected OAI to have developed an IT assurance map to better focus audit efforts on relevant risks. As part of that assurance mapping process, ITM’s own self-assessment activity (for example, related to ITM’s ISO:9001 regime, their own security testing) could be leveraged.

We acknowledge that OAI conducts quarterly meetings with ITM leadership during which the audit approach and current projects are discussed. Further, based on our feedback in the course of our review, the 2023 IT audit plan has now been reviewed and mapped to the COBIT IT governance framework. Plans have also now been put in place to leverage the work of external assurance providers engaged directly by ITM.

Related Standards

Opportunities for continuous improvement: 1210.A3, 2010, 2050, 2110, 2110.A2

Recommendation

OAI should consider adopting a recognized standard IT governance framework as the basis of an assurance map covering IT domains. OAI should collaborate with ITM to determine the nature and extent of assurance that can be derived from ITM’s own governance processes, including their ISO:9001 certification, self-assessment, and external testing, to focus OAI work on those risks over which further assurance is indicated. This would help to ensure and to demonstrate that the full range of IT risks are being considered and would help optimize the value derived from limited IT audit resources.

OAI Action Plan

Observation

OAI has put in place a process for Continuing Professional Development (CPD) amongst staff. Highlights include the adoption of the Learning Policy, dated 29 September 2021, which:

- Specifies that auditors are required to observe CPD in accordance with Standard 1230, up to 10 days per year (5%), 50% on technical subjects and 50% on UNDP mandatory training, soft skills, ethics, and IT;
- Assigns learning roles and responsibilities;
 - The learning manager is responsible for the annual training plan, coordinates the Learning Committee, monthly business knowledge sessions and reporting;
- Integrates the learning planning process into staff appraisals and management;
- Sets out different types of learning opportunities;
- Establishes a generous learning budget of \$2,500, plus \$300 for certification qualification or maintenance per professional staff member; and,
- Requires the learning manager to submit a mid- and end-of-year report on learning to the Director.

There is therefore a significant investment of expenditure and activity in training, and this is exemplary.

However, we also observed the following:

- The 2020-22 training summary gives only high-level information of OAI training;
- Reporting of annual days' training per staff member is not necessarily reliable;
- The number of days spent on training is unevenly distributed across the RACs;
- Inherently, training is more difficult to procure in certain regions (this was noted particularly in RAC-NWCA);
- The 2022 plan is incomplete; and
- Discussion during regular Learning Committee meetings attended by the Director, and related summary minutes, rather than formal progress reports, as contemplated in the Learning Policy, have have been adopted as a means of monitoring training.

We also note that OAI does not use an internal audit competency and skills matrix to assess and monitor the team's skills against its defined requirements. A competency matrix is a widely used method to gain insights into audit activity's current and evolving skills needs, identification of gaps, and overall and cost-effective alignment with the assurance needs of the organization. Without such a framework in place, particularly given the decentralised structure of OAI, and the fact that training courses are largely chosen by individuals and approved by RAC Chiefs, there is a risk that training investment may not deliver against the organization's specific needs.

Related Standards

Opportunities for continuous improvement: 1210, 1230, 2030

Recommendation

The Learning Policy should be fully implemented and monitored, and processes and reporting formalized to ensure that OAI's investment in training continues to be effective and aligned with the organization's needs.

OIA should consider creating and keeping up-to-date a competency matrix to help ensure staff individually and collectively possess or acquire the knowledge, skills, and other competencies needed to deliver the assurance demanded of the audit activity. This would be useful both for the development of the overall training offer, but also in defining the desired skills of future hires (we note that the hiring process involves a robust statement of skills), and to demonstrate that OAI continues to deliver demanded capacities.

OAI Action Plan

Observation

OAI prepares detailed time budgets by area within audits, but team members are not required to record their time in detail. There is no time management system that allows managers to monitor actual time versus time budgets for particular projects. HQ managers understand that there are never budget variances (owing in part to the fixed 2-week model for fieldwork), and therefore budget:actual reporting would have no purpose.

In our experience, the absence of such mechanisms has the following possible effects:

- Staff, manager and team time / budget performance is not objectively monitored;
- Accountability and efficiency is potentially weakened (particularly important with the increased use of remote working);
- Staff overtime can remain unrecorded and unnoticed, giving rise to staff frustration and dissatisfaction (examples of this phenomenon were encountered in RAC staff interviews). Under time pressure, staff may also make unintentional scoping decisions in the field; and
- The team may not learn from its experience for planning future projects.

There is an annual and semi-annual formal appraisal process in place, per UN procedures, but no formal staff assessment at the engagement level. We understand that a formal engagement-level staff appraisal is difficult to institute within the UN staff regulations. Staff are therefore not given timely feedback on their performance from which to develop.

Related Standards

Opportunities for continuous improvement: 2030, 2230, 2340

Recommendation

Adopting a detailed time accounting system is clearly a major undertaking and may not be a pragmatic means of increasing accountability and otherwise addressing the points above (we note that OAI had such a system in place previously and it was abandoned). It may, however, be practical to put in place a very rough time budgeting mechanism at the project level, and to encourage team leaders to monitor performance and prepare an overall summary at the end of the project (perhaps simply adding a few “actual” columns to the budget in the APM), based on the time staff spent on different sections and tasks.

This could be a particularly valuable tool in managing performance of remote working.

OAI should consider adopting at least an informal, perhaps oral, end of project staff feedback, to the extent possible within the staff regulations, to ensure auditors are able to learn from their experiences and adjust in a timely manner.

OAI Action Plan

Observation

According to the IPPF, root cause analyses enable internal auditors to add insights that improve the effectiveness and efficiency of the organization's governance, risk management, and control processes. Root cause analysis, a method by which underlying causes for irregularities, control weaknesses or other anomalies are identified, thereby facilitating the identification of an effective solution or preventative measure, is a frequent but irregular feature of OAI audit workpapers. Auditees also gave us feedback that they would see OAI's more regular use of root cause analysis as a useful tool in developing their own action plans in response to audit recommendations.

Recommendation

We urge OAI to consider how root cause analysis can be routinely and consistently deployed as a means of gaining more insightful understandings of the audit findings, and to enable effective auditee remedial actions. Specifically, OAI may wish to develop an SOP and documentation standards for risk and root cause analysis and offer IA-wide training on that standardized approach.

Related Standards

Opportunities for continuous improvement: 2040, 2320, 2340, 2420

OAI Action Plan



3.2

BROADER INSIGHTS

SECTION

UNDP - Internal Audit
External Quality Assessment – September 2022



The Institute of
Internal Auditors

Observation

The topic of OAI independence, reporting lines and oversight has been discussed in recent EB sessions. As cited in OAI's August 2022 report to the EB, "Assessment of the independence of the UNDP Office of Audit and Investigations" (<https://bit.ly/3Cv9MDF>), there are many factors which contribute to the organizational independence of OAI. They include:

- The Director of OAI reports to the Administrator;
- OAI reports annually to the EB;
- The OAI Charter stipulates:
 - OAI is to be free of interference from senior management;
 - OAI confirms its independence in its Annual Report to the EB (contained in 2021/2022 reports);
 - The Director of OAI is appointed for a maximum of two five-year terms;
 - The Director of OAI is to have free and unrestricted access to the EB, the Audit and Evaluations Advisory Committee (AEAC), and the BoA;
 - OAI has regular *ad hoc* interaction with the EB, as required during the year;
 - OAI recently began delivering audit reports to the EB as they are issued, rather than when they are published; and
 - The AEAC is to provide objective advice to the OAI Director and Administrator.

The AEAC is recognised as a valuable source of advice and a "safe space" in which management can discuss openly matters pertaining to finance, risk management, internal control, ethics and internal and external audit. The committee has many other characteristics of an audit committee; however, importantly, the AEAC is appointed by the Administrator and therefore lacks the independence normally associated with an audit committee. Further, its Terms of Reference clearly state that its principal role is to advise the Administrator and that it is not a governance body. The Terms of Reference do not mention oversight and provide for no reporting lines to the EB (although we note that the AEAC's Annual Report describes part of their activity as "oversight" and that it is included as an annex to the OAI's Annual Report to the EB, per EB Decision 2008/16).

Thus, many of the aspects of generic internal audit interaction with the board, as specified in the Interpretation of Standards 1110 and 1111, are fulfilled by the AEAC, notwithstanding its lack of independence or official oversight role.

We note that this structure is not unique to the UNDP, and is similar to those of other UN system bodies and certain other international organisations. We refer readers to the JIU's 2019 report on this topic: <https://bit.ly/3EHSTFS>

Related Standards

Opportunities for continuous improvement: 1000, 1100, 1110, 1110.A1, 1111

Insights / Considerations

As defining the structure and oversight roles of the EB and the AEAC are outside of OAI's direct responsibilities, we are sharing this insight principally for consideration by the EB, the Administrator and the AEAC.

The scrutiny to which the UNDP and other public institutions' governance and assurance mechanisms are subject is increasing. The principles of Standards 1110, 1111 and related Standards are also likely to take on renewed emphasis in the next generation of the IIA Standards. Beyond conformance, the benefits of visibly strengthened organizational independence of audit are undeniable in the eyes of stakeholders. Therefore, there is an opportunity for the AEAC, representatives of the EB and the Administrator to explore how the organizational independence and oversight of OAI could be further improved, while maintaining the advantages of the advisory capacity of the AEAC. Based on the Standards, examples of functional criteria, considerations and questions may include:

- Recognising the AEAC's oversight role in its Terms of Reference.
- Should the EB approve the AEAC's Terms of Reference?
- Establishing an official reporting line from the AEAC to the EB
 - For example, should the EB decide to have the AEAC deliver its Annual Report directly to the EB, and should the AEAC be given an opportunity to present their report to the EB?
- How could the EB be informed or involved in the appointment of AEAC members?
 - Should the EB be informed about the recruitment process, informed of appointees, or have the final approval of appointees?
- Should the EB approve OAI's Annual Work Plan, as contemplated in Standard 1110, should the plan at least be presented to them, or should this be the role of the AEAC only?
- The AEAC is seen as a valuable advisory resource for senior management and OAI, a role that stakeholders believe could be undermined if the AEAC were to adopt an oversight responsibility. Could the EB benefit from establishing a separate audit committee of specialists to oversee audit and related matters?
- Considering JIU guidance in this area and best practices within the UN and other public institutions.
- How could the existing OAI interaction with the EB be improved to enhance EB accountability, and enhance OAI independence and assurance provided by OAI? Examples of small adjustments to the current approach may include (we note some aspects of these are under consideration or being implemented):
 - Increasing the frequency and nature of OAI contact with the EB;
 - More frequent *ad hoc* reporting (perhaps to the Cabinet rather than the EB plenary sessions);
 - Continued participation in and observation of EB sessions.

Observation

In its 2015(13) decision, the EB requested that OAI and the analogous offices in UDFPA and UNOPS "include in future annual reports: (a) an opinion, based on the scope of work undertaken, on the adequacy and effectiveness of the organizations' framework of governance, risk management and control...".

In response, OAI has issued a limited opinion on GRC in its Annual Reports since 2016. The 2021 Annual Report reads, for example, "Based on the scope of work issued... it is the opinion of OAI that the elements of governance, risk management and control covered in the audit reports issued in 2021 were, in aggregate, 'satisfactory/some improvement needed'." Annex 6 of the Annual Report goes on to explain further the basis for that opinion, but does not explain the rationale for the limited opinion over UNDP's GRC.

We note that both UNFPA and UNOPS audit offices issue an overall opinion in their Annual Reports.

The EB's decision 2016/13 acknowledges OAI's limited opinion on GRC, and subsequent OAI Annual Reports have been formally "noted" in EB decisions.

Therefore, while we concur that OAI generally conforms with Standard 2450, and that OAI's limited opinion on GRC apparently takes into account the expectations of the EB, we would invite a further exploration of this increasingly important aspect of reporting.

Related Standards

Opportunities for continuous improvement: 2450

Insights / Considerations

In an environment of increasing scrutiny over GRC, and in the interests of clarity, we would invite OAI to reconsider the stated and standing request of the EB for an overall opinion on GRC, and to explore if and how, in future, the scope of the opinion might be expanded. As stated in Standard 2450, the opinion should be supported by 'consideration of all related projects, including the reliance on other assurance providers, a summary of the information that supports the opinion, the risk or control framework or other criteria used as a basis for the overall opinion'.

If OAI is not able to express a broader opinion, it would be useful to state unequivocally that their opinion on GRC is limited, and further to explain plainly the rationale for the limited view or denial of opinion, preferably in the body of the Annual Report, with further explanation, as necessary, in an annex. Such rationale is essential to the reader's complete understanding of the opinion. For example, if OAI is not able to express such an opinion because of a lack of resources, or because it cannot otherwise gain assurance over the organization's GRC (e.g. First and/or Second Lines¹ are unreliable), that disclosure is relevant. See also Recommendations 3.1.1, 3.1.2 and 3.1.5.

OAI should consider building on the risk model used during its annual planning process to derive an "assurance map", a widely used method to demonstrate how assurance is obtained for each GRC domain. The assurance map could eventually form the basis of an overall opinion on UNDP's GRC.

1. *The IIA's Three Lines Model*, The Institute of Internal Auditors, July 2020. See also *Leveraging COSO across the Three Lines of Defense*, COSO, July 2015.

4

SUMMARY BY STANDARD

SECTION

UNDP - OAI

External Quality Assessment – September 2022



The Institute of
Internal Auditors

Introduction

- In this section, we have highlighted observations by IIA *Standard*.
- The observations in this section are intended to be indicative rather than exhaustive.
- This summary should be read in conjunction with our Recommendations for OAI and Broader Insights (Section 3), and other observations.
- See Section 2, “Scorecard”, for conclusions on each *Standard*.



Standard 1000
Purpose, Authority and
Responsibility



Standards 1100, 1130
Independence and
Objectivity

- **1000, 1010.** IA activity at UNDP is defined in the OAI Charter (latest version 1 March 2022), which defines the mission of OAI, the IA activity, roles and reporting lines, annual reporting process, free access to records, personnel of UNDP, nature of consulting services, and reflects the mandatory nature of the IPPF, the Core Principles, the Code of Ethics and the Standards.
- 1100, 1110, 1110.A1, 1111. OAI prepared an overview of their independence, “Assessment of the independence of the UNDP Office of Audit and Investigations”, and presented it to the EB, August 2022. <https://bit.ly/3Cv9MDF>. Factors include:
 - ↳ The Director of OAI reports to the Administrator
 - ↳ OAI reports annually to the EB and is also present in other EB sessions throughout the year
 - ↳ The OAI Charter stipulates further elements of independence: OAI free of interference from senior management, annual confirmation of independence in Annual Report to the EB (contained in 2021/2022 reports), Director of OAI shall be appointed for a maximum of two five-year terms, Director of OAI has free and unrestricted access to the EB, the AEAC, and the BoA, OAI’s Annual Report contains a confirmation of independence. The AEAC provides objective advice to OAI Director and Administrator
 - ↳ AEAC is a body of experienced finance professionals, highly valued source of advice, a “safe space” for open discussions. Principal role: advises Administrator
- 1111. OAI and the AEAC do not report functionally to the EB, but through their annual report and periodic participation in EB sessions, have regular interaction.



Standard 1200 Proficiency and Due Professional Care

- **1200.** The audit team is well qualified and competent. Some 70% have relevant professional IA/fraud certifications and more than half are CIAs. See also 2000 Standards.
- **1210.** After a rigorous recruitment process during which proficiency and qualifications are examined, new team members follow a well-structured induction course.
Fraud risk and IT skills are refreshed regularly during staff retreats (last held in 2020 due to COVID restrictions) and ongoing monthly knowledge sharing sessions. See also 1230. Continuing Professional Development.
- 1210.A1. Where OAI uses external resources to complement internal staff, resources are supervised by the relevant OAI team leader.
- 1210.A2. Some 25% of the professional audit staff have the CFE qualification and each RAC has at least one CFE staff member. "UNDP Policy against Fraud and other Corrupt Practices" was adopted by the organization in October 2018.
- **1210.A3.** There is a dedicated team of 3 IT auditors. In addition, some 30% of IA staff are CISA qualified.
- **1220.** Audit Planning Memo (APM) evidences analysis of risk within the scope of the assignment, adequacy of governance, risk and control processes, and the extent of work required to achieve the engagement's objectives.
The process of communicating findings with auditees considers the cost of assurance in relation to potential benefits.
- 1220.A2. Data analytics are used in most audits. A "Dashboard" is used, which highlights exceptional transactions in the centralised databases.
- 1220.A3. In addition to the annual risk-based scoping exercise, the APM contains a risk assessment at the engagement level, often leveraging management's own assessment.
- 1230. OAI's Learning Policy dated 29 September 2021 specifies principles of training: Auditors are required to observe CPD in accordance with Standard 1230, mandatory training, soft skills, ethics and IT. Budget of \$2500, plus \$300 for certifications is allocated to all professional staff. Learning manager and Learning Committee oversees the training process and reports semi-annually.



Standard 1300
Quality Assurance and
Improvement Program

- **1300.** The SOP on Quality Assurance and Improvement Programme refers to IIA standards 1300 to 1322, explains that the role of the QAPU (Quality Assurance and Policy Unit) is to monitor the quality assurance and improvement programme and to ensure conformity with the IPPF requirements.
- **1310.** The QAPU quarterly monitors OAI's performance and reports to the Audit and Evaluation Advisory Committee (AEAC), and annually to the UNDP Administrator and the Executive Board.

The post audit client survey is announced in the audit notification memo and is sent after each assignment. It contains 16 questions (5-scale rating and 1 open question). The overall response rate is 100% for the Q2 2022. The overall satisfaction rate is 4.8/5 for the Q2 2022.

A team of 5 FTE (1 vacant) is dedicated to Quality Assessment and reviews every report after the draft version is commented on by the management/auditee (except for "Unsatisfactory" reports that are reviewed before and after the management comments).

- **1311.** Periodic self-assessments of OAI activities are performed continually, leading to a full assessment of OAI's activities at least once every two years. The results are shared with the chief audit executive, the AEAC, and UNDP's Administrator; a summary is also reflected in OAI's annual report.

- **1312/1320.** OAI was subject to an External Quality Assessment by the IIA in 2012 and in 2017. OAI states in the annual report to the EB "The most recent assessment was completed in May 2017, and the office received the top rating of 'general conformance' with the International Standards for the Professional Practice of Internal Auditing and with the Institute of Internal Auditors' Code of Ethics." The annual report states "The office maintains an internal quality assurance and improvement programme. This includes engagement-level quality assurance, ongoing self-assessments (including an annual internal quality assessment and client feedback) and an external quality assessment of the internal audit function every five years."
- **1321.** In each assignment report, and in annual reports, OAI states: "The office conducts its internal audit work in accordance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. These were adopted for use by the representatives of the internal audit services of the United Nations system organizations in June 2002."
- **1322.** None noted.



Standard 2000 Managing the Internal Audit Activity

- **2000, 2010, 2020.** OAI's Strategy 2022-2025 closely aligns the high level OAI plans with those of the organization. Strategy is approved by the Administrator, adding credibility.

The Annual Work Plan (AWP) is developed on the basis of the Strategy, and a risk assessment process is defined in SOPs.

The planning process takes into account management risk assessments, incorporates input from RACs, Bureaux Directors.

- **2030.** The OIA team is well qualified and has the competencies to achieve the audit plan (some 70% have relevant professional IA/fraud certifications and more than half are CIAs).

Overall, the resources appear to be sufficient, as illustrated in the AWP process.



Standard 2000 Managing the Internal Audit Activity

- **2040.** OAI organizes the IA activity with an extensive library of Standard Operating Procedures (SOPs) published on the UNDP intranet. SOPs and Country Office Audit Guidelines (COAGs) are based on IIA standards. 82 documents are online under "Audit guidelines and templates", with 41 SOPs and 24 templates for the main types of documents for the different types of audits.

Principal procedures include annual work planning, risk assessment, audit planning, milestone meetings, audit sampling, and communication guidelines. The SOPs date from 2013 to August 2022.



Standard 2000 Managing the Internal Audit Activity

- **2050.** An Assurance Map exists for the Global Fund domains, as the nature of audit arrangements lends itself to that kind of analysis.
Close coordination with UN Board of Auditors to avoid duplication (continual discussions, planning, comparing notes, sharing workplans).
Use of Joint Inspection Unit (JIU) reports as input for risk assessment (e.g. implementing partners' report)
Coordination with Independent Evaluations Office (joint projects, coordination of workplans, mixed teams)
See NIM and DIM Standard Operating Procedures (SOP). OAI oversees coordination and supervision of audit firms conducting the audits and issues the reports in the name of OAI.
Other external consultants are typically used as resources embedded within an internal team, and their work is subject to supervision through the regular mechanisms. Audit projects that are outsourced in their entirety are subject to close supervision by audit regional chiefs or the Director Deputy of Audit.
- **2060.** Audit reports are distributed to the Administrator and to the EB (on publishing).
In addition to the annual report to senior management and the EB, OAI issues a series of consolidated reports: HACT, reports on principal recipients, sub-recipients, advisory service engagements. OAI also issues "Risk Alerts" to the Associate Administrator.



Standard 2100 Nature of Work

- **2100, 2110.** OAI are observer participants in key governance bodies and executive functions:
 - ↳ Organisational Performance Group (OPG)
 - ↳ OAI comment on draft policies
 - ↳ Regular meetings with the Associate Administrator
 - ↳ Monthly meetings with the Director of Bureau for Management Services
 - ↳ Involved in other critical projects, such as the Clustering initiative

Governance is a regular component in each audit engagement (cover country-level organisation, internal controls, delegation of authority and other areas).
- **2110.A1.** Elements of ethics (financial disclosure, declarations of interests, risk of fraud, suspected wrongdoing, review of staff surveys) are considered in planning phase for country audits (as defined in Country Audit Guidelines). Files reviewed reflected that work.
Advisory engagement is planned for Ethics Office in 2023, covering financial disclosure processes.
- **2110.A2.** In the preliminary phase of each assignment, the investigations department provides information on alerts received for the scope of the audit, for planning consideration.
Data analytics provide reports on pre-programmed exceptional transactions. These transactions are analysed with the auditee, eliminating false positives, as appropriate and otherwise seeking explanations.



Standard 2100 Nature of Work

- **2120.** OAI conducted performance audit of ERM in 2018 and again in 2021 (audit 2319), rated "satisfactory/some improvement needed" (see copy on file). Progress of key findings progress is monitored in the CARDS system (IFACI rep viewed status - 2 of 6 implemented).

ERM was also subject to a BoA (external audit) review in 2020. OAI's approach leveraged, complemented and cited that work in their report.

Audit Guidelines (Country Office Audits) require review of risk registers within the audit planning process. IFACI rep confirmed this practice.
- **2130.** Audits routinely refer to relevant sections of UNDP's Internal Control Framework and the Internal Control Operational Guidelines.

Audit reports routinely contain recommendations to improve internal controls.

OAI's audit of the Clustering Process (BMS), dated 2019, included a recommendation to update the Internal Control Operational Guidelines (recommendation implemented).

OAI's Annual Report contains a limited scope overall opinion over GRC.



Standard 2200 Engagement Planning

- **2200, 2201.** OAI teams base their engagement planning on a sound preparation, all of which drives the audit work. For CO and GF audits, guidelines provide standard engagement objectives, adapted according to the preliminary risk assessment. For performance audits, auditors build from the annual audit plan to the work programme and *ad hoc* risk analyses.

Processes are defined in SOPs 211, audit planning and 222, audit working papers.

Significant risks, objectives, resources, and operations are documented in the APM, along with adequacy and effectiveness of governance, risk management, and controls, compared to a relevant framework or model.

A standard template of the audit notification letter is consistently used through the RACs. It is sent 20-69 days before fieldwork and contains milestones, scope audit objectives.

In the preparation phase, auditors meet with auditee management.

The APM details the "background and justification for the audit", statistical overview, the results of the last audits, the audit client management team, specific audit objectives, audit scope and review sample.



Standard 2200 Engagement Planning

- **2210.** Overall audit objectives are identified in the audit notification memo and in the final report. They are detailed in the APM.
In performance audits, the audit objectives are formalized as managerial questions.
Audit teams consult with investigations in planning phase to alert them of relevant concerns.
Planning phase includes data analytics to identify risks, irregularities.
- **2230.** The APM indicates the composition of the team, the number of days allocated per staff and per audited area.
The team is designated at the start of the assignment based on country risk.
In the CO audits, the time is allocated by person and by standard audit process.



Standards 2300 Performing the Engagement

- **2300.** OAI teams identify, analyse, evaluate, and document sufficient information to achieve the engagement's objectives.
- **2310.** Internal auditors identify useful and sufficient information during the preliminary phase and can ask for supplementary documentation during the fieldwork. They check the reliability and relevance of the information during the fieldwork.
Audit files have relevant supporting documentation collected during the fieldwork.
- **2320.** Findings are found on the lead sheets. Root cause analysis is often also on the lead sheet.
Internal auditors' conclusions and engagements results are based on appropriate analyses and evaluations.
- **2330.** Lead sheets constitute the audit trail of the work done, combined with underlying working papers.
The overall documentation of the fieldwork and the main deliverables are stored in OAI's own SHAPE documentation too, with appropriate restrictions based on the need-to-know principle.
- **2340.** APM and lead sheets have formal signatures by preparer, reviewer and approver.
Team communication is continual via email, Teams, Signal/Whatsapp, phone calls.



Standard 2400 Communicating Results

- **2400, 2410, 2420.** Communication of the audit report is standardized. A regular flow of information between the audit client and the audit team prepares the final communication.

Communications include the engagement's objectives, scope, and results.

At the end of fieldwork, the exit meeting notes are communicated to the auditees. They contain the issues and recommendations by audit area.

The management action plans are included in the final report, with the estimated completion date.

Some positive comments are often included in the report and exit meeting.

Communication is accurate, clear, and often concise. The reports are between 9 and 37 pages. Recommendations and action plans are included. The report is completed between 44 and 102 days after the exit meeting, with an average of 72,3 days (objective 90 days).



Standard 2500 Monitoring Progress

- **2430, 2431, 2440, 2450.** All reports reviewed use the mention of conformance with the IPPF standards.

Reports are reviewed and signed by the Director of OAI.

No disclosure of non-conformance was mentioned in any of the reports reviewed. The annual report notes that OAI "was free from interference in determining its audit and investigation scope, performing its work and communicating its results."

Audit reports are generally published after a standard delay (during the auditee and senior management review the report). Reports of a sensitive nature (e.g. involving security) are redacted appropriately or remain unpublished in rare circumstances.

- **2500.** A system to monitor the disposition of results is established by the CAE and communicated to management ("CARDS").

The follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action is sound.

Agreed actions which are not implemented on a timely basis, and for which a proper explanation is missing, are reported to the senior management via the OPG (Operational Performance Group) and to the AEAC.



Standard 2600
Communicating the
Acceptance of Risks



Code of Ethics

- **2600.** In the case of a disagreement of the audit client with the OAI recommendation, the SOP 241 states that OAI should highlight the associated risks and escalate the issue to the management of the Bureau (Regional or HQ) concerned.

If the Bureau Director accepts the residual risk, OAI withdraws the recommendation, after a formal request from the auditee (Director).

If the level of residual risk seems unacceptable to OAI, the issue is escalated to senior management, eventually to AEAC and Executive Board.

- **Code of Ethics.** Based on the interviews and a review of the sampled audit assignments and documentation, it is observed that the principles of the Code of Ethics are applied.

Staff members are required to formally acknowledge compliance with ethics policy annually.



5

SECTION

APPENDICES

UNDP - OAI

External Quality Assessment – September 2022



The Institute of
Internal Auditors

Objectives of the EQA

- The principal objectives of the External Quality Assessment (EQA) were to (1) assess the Internal Audit activity (IA) of the Office of Audit and Investigation's (OAI's) conformance with the Institute of Internal Auditors' *Standards* and *Code of Ethics*; (2) assess the effectiveness in providing assurance and consulting services to UNDP and other interested parties; and (3) identify opportunities, offer recommendations for improvement, and provide counsel to OAI to improve their IA performance and services and promote their image and credibility.
- The IIA team would like to thank the numerous OAI staff members for their contributions to this initiative, and OAI's stakeholders for their valuable insights and evident commitment and support.

Scope of the EQA

- The scope of the EQA addressed internal audit activities described in the Charter of the OAI, dated 1 March 2022 and approved by the Administrator. The Charter defines the authority and responsibility of Internal Audit Function.

Methodology of the EQA

- To accomplish the objectives, the EQA team reviewed documentation submitted by OAI at the EQA team's request; conducted interviews with some 17 OAI key stakeholders including the Administrator and OAI team members (see Section 2 – Stakeholder Feedback, page 6); reviewed a sample of audit projects and associated work papers (see page 33); and prepared and executed eight Thematic Workshops (see page 34) with OAI team members, consistent with the methodology of the IIA's established methodology for EQAs.

Reporting Period

- The on-site portion of the EQA took place at UNDP headquarters in New York from 18-24 August 2022 and 19-23 September 2022, supplemented with online sessions.
- The reporting period covered the years 2020, 2021 and 2022 up to the date of our fieldwork, and was based on information made available until 23 September 2022, when field work was substantially completed.

Opinion as to Conformance with the Standards and the IIA Code of Ethics

- The conclusion of the IIA Quality Assessment Team is that the internal audit activity of UNDP OAI generally conforms with:
 - ↳ the Institute of Internal Auditors' *Core Principles for the Professional Practice of Internal Auditing*
 - ↳ the Definition of Internal Auditing
 - ↳ the *International Standards for the Professional Practice of Internal Auditing*
 - ↳ the Institute of Internal Auditors' *Code of Ethics*
- A detailed list of conformance to individual *Standards* and the IIA *Code of Ethics* is shown in Sections 2 and 5 of this report.

Elements supporting the Opinions

- The “generally conforms” opinion means that the IIA Assessment Team has concluded the following
 - ↳ For Individual Standards, the Internal Audit activity conforms to the requirements of the Standard or elements of the IIA Code of Ethics (both Principles and Rules of Conduct) in all material respects.
 - ↳ For the General Standards, the Internal Audit activity achieves general conformity with a majority of the individual Standards and/or elements of the IIA Code of Ethics, and at least partial conformity to others, within the General Standard.
 - ↳ For the Internal Audit activity overall, there may be opportunities for improvement, but these should not represent situations where the internal audit activity has not implemented the Standards, the IIA Code of Ethics, has not applied them effectively, or has not achieved their stated objectives.

Audit Engagements Selected for Review

- For our detailed audit engagement review, we selected 21 engagements, covering a range of audit types (Headquarters, Country Offices, Global Fund and Performance Audits), geographies, timings and ratings, as illustrated in the following table.

Type of Audit	Audit Title	Audit ID	Year	Date of Report	OAI Rating
Headquarters Audit	Audit of the United Nations Volunteers Programme (UNV)	2438	2022	22/04/2022	Satisfactory/Some Improvement Needed
Performance Audit	Audit of UNDP Vendor Management	2335	2022	06/01/2022	Satisfactory/Some Improvement Needed
Headquarters Audit	Audit of the Write-Off Processes	2320	2021	30/06/2021	Partially Satisfactory/Major Improvement Needed
Headquarters Audit	MS-Azure	2411	2021	01/11/2021	Satisfactory/Some Improvement Needed
Country Office Audit	UNDP India	2485	2022	07/07/2022	Satisfactory/Some Improvement Needed
Country Office Audit	UNDP Samoa	2415	2022	13/01/2022	Partially Satisfactory/Major Improvement Needed
Country Office Audit	UNDP Iran	2403	2021	12/08/2021	Satisfactory/Some Improvement Needed
Country Office Audit	UNDP- Yemen	2329	2022	01/03/2022	Partially Satisfactory/Major Improvement Needed
Global Fund Audit	UNDP Sudan- Global Fund	2328	2022	21/01/2022	Partially Satisfactory/Major Improvement Needed
Country Office Audit	UNDP Lebanon	2324	2021	26/08/2021	Partially Satisfactory/Major Improvement Needed
Global Fund Audit	UNDP South Sudan- Global Fund	2229	2020	06/08/2020	Partially Satisfactory/SI
Country Office Audit	UNDP Sierra Leone	2444	2022	16/06/2022	Partially Satisfactory/Major Improvement Needed
Country Office Audit	UNDP Mozambique	2304	2021	30/11/2021	Unsatisfactory
Country Office Audit	UNDP Suriname	2430	2022	28/04/2022	Partially Satisfactory/Major Improvement Needed
Country Office Audit	UNDP Panama	2417	2022	10/01/2022	Satisfactory/Some Improvement Needed
Country Office Audit	UNDP Bolivia	2187	2021	09/02/2021	Partially Satisfactory/Major Improvement Needed
Country Office Audit	UNDP Democratic Republic of the Congo	2307	2022	14/03/2022	Partially Satisfactory/Major Improvement Needed
Country Office Audit	UNDP Gabon	2295	2022	11/02/2022	Partially Satisfactory/Major Improvement Needed
Global Fund Audit	UNDP Burundi - Global Fund	2290	2021	11/08/2021	Satisfactory/Some Improvement Needed
Performance Audit	Audit of UNDP Global Environment Facility - GEF	2210	2020	01/12/2020	Partially Satisfactory/Major Improvement Needed
Performance Audit	Audit of UNDP Management of Implementing partners	2332	2022	08/04/2022	Partially Satisfactory/Major Improvement Needed

Assurance map of the External Quality Assessment

10 Core Principles for the Professional Practice of Internal Auditing

Updated
January 2017

Standards Categories

Attribute Standards

Performance Standards

General Standards

1000 Purpose, Authority, and Responsibility	1100 Independence and Objectivity	1200 Proficiency and Due Professional Care	1300 Quality Assurance Improvement Programme	2000 Managing the Internal Audit Activity	2100 Nature of Work	2200 Engagement Planning	2300 Performing the Engagement	2400 Communicat* of Results	2500 Monitoring Progress	2600 Communicate Acceptance of Risks
--	--------------------------------------	---	---	--	------------------------	-----------------------------	-----------------------------------	--------------------------------	-----------------------------	---

IIA Code of Ethics

Individual Standards

	1000	1100	1200	1300	2000	2100	2200	2300	2400	2500	2600	Code of Ethics
1 Documentary Review												
2 Workshop #1 - Methodology Supervision Quality												
2 Workshop #2 - Building, Approval and Monitoring of the Audit Plans												
2 Workshop #3 - Monitoring of Corrective Actions												
2 Workshop #4 - Mission, Positioning and Monitoring of Internal Audit												
2 Workshop #5 - GRC Processes Assessment and Interaction with other assurance providers												
2 Workshop #6 - Ethics, Compliance, and Antifraud Management												
2 Workshop #7 - Auditing in IT Environment												
2 Workshop #8 - Management of Human Resources												
3 Stakeholder Sessions												
4 File Walkthroughs												
5 Brainstorm and Benchmark												

Overall Evaluation of Conformance with the IIA IPPF

- **AEAC** the Audit and Evaluations Advisory Committee
- **BoA / UNBoA** The United Nations Board of Auditors (the UN's external audit body)
- **CFE** Certified Fraud Examiner
- **CIA** Certified Internal Auditor
- **CISA** Certified Information Systems Auditor
- **CO** Country Office
- **COAG** Country Office Audit Guideline
- **CPE** Continuous Professional Education
- **CPU** Corporate Performance Unit
- **DIM** Direct Implementation modality whereby UNDP takes on the role of Implementing Partner
- **EB** Executive Board
- **EQA** External Quality Assessment
- **ERM** Enterprise Risk Management system
- **GC** Generally conforms
- **GRC** Governance, Risk and Control
- **GTC** Gap to conformance
- **HACT** Harmonized approach to cash transfers
- **HAS** Headquarters Audit Section
- **IA** Internal Audit
- **IFACI** l'Institut Français de l'Audit et du Contrôle internes (the IIA in France)
- **IIA** The Institute of Internal Auditors
- **IPPF** International Professional Practices Framework of The IIA
- **ICT/IT** Information and Communications Technology / Information Technology
- **ITM** UNDP's Information Technology & Management department
- **OAI** Office of Audit and Investigations
- **OCI** Opportunity for continuous improvement
- **ORM** Operational Risk Management
- **PC** Partially conforms
- **QAIP** Quality Assurance & Improvement Programme
- **QAPU** OAI's Quality Assurance and Policy Unit
- **Quantum** Project to replace existing Peoplesoft Enterprise Resource Planning (ERP) system, hosted by the UN International Computing Centre, with a cloud-based Oracle ERP solution
- **RAC** Regional Audit Centre (RAC-AP Asia and the Pacific, RAC-ESA East and Southern Africa, RAC-NWCA North, West and Central Africa, RAC-ECIS Europe Commonwealth of Independent States and the Middle East, RAC-LAC Latin America and the Carriibbean)
- **SOP** Standard Operating Procedure
- **UNDP** United Nations Development Programme

