



10 August 2023

Information Note

Status of the implementation of the recommendations in the self-assessment of the independence of the UNDP Office of Audit and Investigations

SUMMARY

As requested by the Executive Board in its decision 2023/7, the Office of Audit and Investigations (OAI) is pleased to submit this report in response to the Executive Board's request to assess the status of the implementation of the recommendations in the self-assessment of the independence of OAI.

The report provides the latest status of implementation of these recommendations in respect the self-assessment of the independence of OAI.

The Executive Board may wish to: (a) take note of the present report; (b) express continuing support for the internal audit and investigation functions of UNDP; and (c) request briefings and informal discussions as needed with OAI in the future.

A. Overview

1. In the recently concluded Executive Board meeting in June 2023, under item 10: Internal Audit and Investigations of the joint decisions, the following paragraph was documented:

“10. *Recalls* Executive Board decision 2022/22 on the self-assessment of the independence of UNDP Office of Audit and Investigation (OAI), the UNFPA Office of Audit and Investigation Services (OAIS) and the UNOPS Internal Audit and Investigations Group (IAIG), requests UNDP, UNFPA and UNOPS to update the Executive Board in writing, at the second regular session 2023, on the status of implementation of the recommendations included in the self-assessment of the independence of the audit and investigation offices, and requests UNDP, UNFPA and UNOPS to provide explanations for any recommendations that have not been fully implemented or agreed to by management”

2. OAI would like to update the Executive Board on the above joint decision regarding the implementation of the recommendations contained in its report dated 15 August 2022 and presented at the Second regular session of the UNDP/UNFPA/UNOPS Executive Board Session. The title of the report was: Assessment of the independence of the UNDP Office of Audit and Investigations¹

B. Self-assessment on independence of UNDP’s OAI

3. Independence is a key pre-condition for the functioning of internal audit and investigative activities of any internal oversight function. This is also the case for OAI. According to the Institute of Internal Auditors, Standard 1100, the internal audit activity must be independent, and internal auditors must be objective in performing their work. Similar principles are enshrined in the Conference of International Investigators Uniform Principles and Guidelines for Investigations and other relevant UNDP policies. OAI considers independence as a cornerstone for it to provide effective assurance to the organization.

Access to the Executive Board

4. The Director of OAI has free and unrestricted access to the Executive Board, and this access has not been challenged by UNDP. OAI independently prepares and submits to the Executive Board, after review by the Audit and Evaluation Advisory Committee, an annual report for each completed calendar year on its internal audit and investigations activities.

5. Pursuant to EB decision 2022/15, OAI is also available for close-door briefing and interactions with the Executive Board, and member states.

6. An informal meeting precedes the official presentation and helps clarify any issues and provides additional insights into the work of OAI.

7. In January 2021, OAI suggested to the President of the Executive Board that it conduct a short briefing to present the office and its Strategic Plan, as well as an update on the Global Environment Facility audit recommendations. This was the first briefing to the Executive Board outside of the annual session. In March 2023, OAI made a presentation on results of the external quality assessment exercise undertaken on OAI from September to December 2022.

¹ https://www.undp.org/sites/g/files/zskgke326/files/2022-08/assessment_of_the_independence_of_the_undp_office_of_audit_and_investigations.pdf

Improving Access to Information:

8. UNDP Financial Rule 104.03 stipulates that OAI shall have free access to the organization's records, personnel and premises, as necessary, in its opinion, for the performance of its duties.
9. In carrying out its duties, OAI has enjoyed free access to the organization's records, personnel and premises. UNDP Administrator and Associate Administrator have been very welcoming and open to regular briefings with OAI Director and/or the Office in Charge. The Director of OAI or in his absence the Officer in Charge attends a "one on one" meeting with various UNDP Senior Management officials such as the Associate Administrator, Director of Bureau for Management Services (BMS), Chief Financial Officer on a monthly basis. This proved to be critical in understanding any risks or issues facing the organization, and to contributing to providing advisory services.
10. OAI also held briefings on major and high priority investigation/fraud cases with both the Associate Administrator, and Directors of Bureaux.
11. The Director of OAI or in his absence the Officer in Charge also has direct access to the UNDP Administrator and the Chief of Staff. Regular meetings were held between the Director and the Chief of Staff to discuss any emerging risks.
12. The Director of OAI continued to have free and unrestricted access to the Audit and Evaluation Advisory Committee (AEAC), UN Board of Auditors (UNBoA) and Joint Inspection Unit.
13. OAI's Director or in his absence the Officer in Charge is regularly invited to attend the Organizational Performance Group (OPG) meetings usually held monthly to discuss the latest developments in UNDP. OAI was also invited to present recurrent audit issues and trends to the OPG members.
14. With reference to the 2022 recommendations, there are two further areas to consider, namely OAI's access to UNDP Executive Group meetings and the UNDP Risk Committee. OAI and the UNDP management team are exploring options to improve access, for example by routinely sharing meeting minutes with OAI. This issue will be taken forward by the newly appointed Director for OAI and Assistant Administrator.

Availability of resources

15. OAI has had no significant concerns in obtaining the necessary financial and human resources necessary to carry out its mandate. This again highlights the elements of independence that OAI enjoys which enables adequate resources to be provided with the support of UNDP's management.
16. In 2022, the office's expenditures (excluding Global Fund) reached \$19.89 million, leaving an unspent balance of \$3.09 million. The unspent balance resulted from savings of \$2.32 million from the staff budget (due to vacant posts) and of \$0.77 million, due mostly reduced travel expenditure in the beginning of the year because of COVID-19 travel restrictions.