

Annex 5. SUMMARY OF OVERSIGHT FUNCTIONS IN UNDP¹

I. AUDIT AND INVESTIGATIONS – OFFICE OF AUDIT AND INVESTIGATIONS (OAI)

Mandate, purpose, reporting requirements and partnerships

The Office of Audit and Investigation's (OAI) mandate is to provide UNDP with an effective system of risk-based, independent and objective internal oversight that is designed to improve the effectiveness and efficiency of UNDP's operations in achieving its developmental goals and objectives through the provision of: (i) internal audit and consulting services; and (ii) investigation services. The internal oversight services cover all UNDP programmes, projects, operations, and activities undertaken by all business units and affiliated entities, namely, UNCDF, UNV and the UN Office for South-South Cooperation. Its charter was last updated and approved in March 2022. ([Microsoft Word - OAI Charter 2022 \(undp.org\)](#))

All internal audit reports are issued to the Administrator and then made publicly available on UNDP's website. ([Audit Public Disclosure | UNDP](#))

OAI assesses and conducts investigations into allegations of misconduct, such as fraud, theft and embezzlement, corruption, sexual harassment, sexual exploitation and abuse, discrimination, workplace harassment and abuse of authority, retaliation against whistleblowers, abuse of privileges and immunities or other acts or omissions in conflict with the general obligations of staff members that involve UNDP staff and other personnel. OAI may assess and conduct investigations into allegations of fraud and other financial irregularities committed by vendors, implementing partners and other third parties, deemed to be detrimental to UNDP. The reporting, assessment, and investigation of alleged non-compliance with UNDP's Social and Environmental policies and procedures are conducted in accordance with the Investigation Guidelines of OAI's Social and Environmental Compliance Unit. ([SECU website](#))

OAI submits an annual report to the Executive Board summarizing its audit and investigations findings and includes an 'Annual Opinion' on the effectiveness of UNDP's systems of governance, risk management and control. ([Link to OAI's Annual Reports](#))

OAI's independence is ensured through its direct and independent reporting lines to the Administrator, and it enjoys free and unrestricted access to the Executive Board.

Structure

OAI is headed by a Director and supported by one Deputy Director for Audit and one Deputy Director for Investigations. As of 31 December 2023, the office had 95 approved posts of which six were vacant. There are nine audit units/sections/centres within OAI. Most Investigations staff are based in Headquarters although as part of its decentralization effort, some Investigation staff would be outposted to regional centres in the near future.

In 2023, OAI had an approved budget of \$22.98 million funded from institutional budget resources. The Office received an additional \$1.23 million for the audit and investigation of UNDP activities funded by Global Fund grants.

¹ The purpose of this annex is to provide a clear, concise snapshot of the oversight functions of each agency. Insights on results achieved can be found in the reports to the Board of the independent functions/offices, and in each agency's annual reports from their principals, to which this annex is attached.

II. INDEPENDENT EVALUATION OFFICE (IEO)

The [Independent Evaluation Office](#) (IEO) is a functionally independent unit within UNDP that supports the oversight and accountability functions of the Executive Board and the management of UNDP, UNCDF and UNV. The structural independence of the Office underpins and guarantees its freedom to conduct evaluations and report evaluation results to the Executive Board.

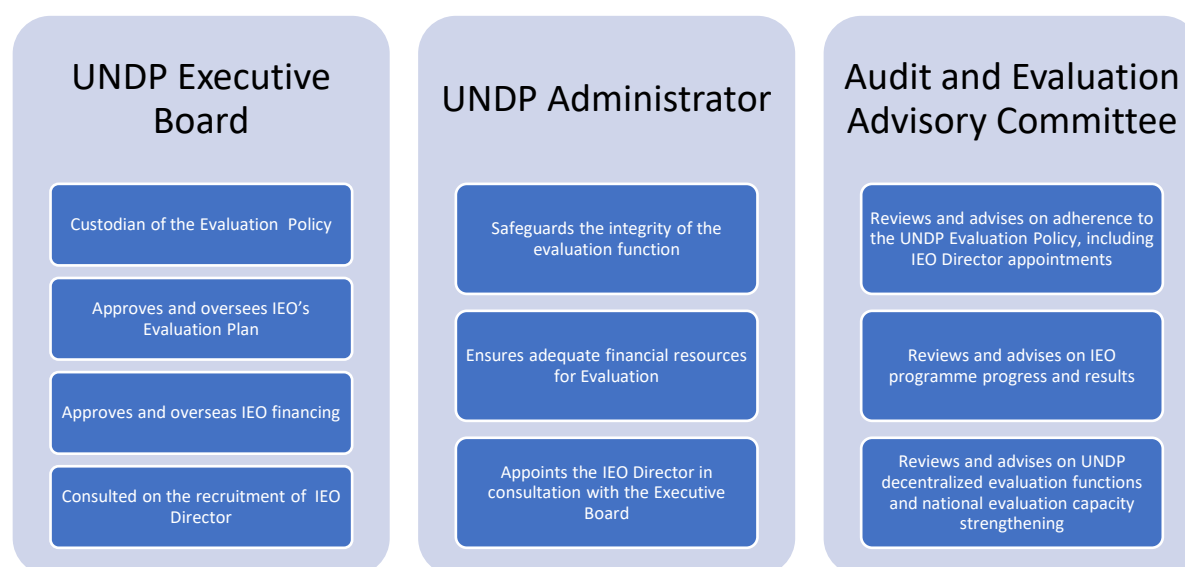
The main role of IEO is to conduct independent evaluations according to the plans and costed programmes of work approved by the Executive Board. The Office conducts [thematic](#), [programmatic](#) and other independent evaluations, ensuring strategic and representative coverage of UNDP programmes and results against national, regional and global scales.

The IEO prepares the [Annual Report on Evaluation](#), sets standards and [guidelines on evaluation](#), monitors compliance on evaluation, provides evaluation training and shares lessons for improved programming.

IEO hosts the [Evaluation Resource Center](#) (ERC), an online information management system that is open to the public and facilitates UNDP's transparency and the use of evaluations for accountability and knowledge management. The ERC stores all UNDP decentralized and independent evaluations, management responses and evaluation plans. The IEO also hosts [AIDA](#), Artificial Intelligence for Development Analytics, a publicly available tool enabling users to intelligently search and make sense of unstructured data from over 6,000 UNDP evaluation reports stored in the ERC.

Evaluation in UNDP is governed by the organization's [Evaluation Policy](#), which sets out the purpose and principles of evaluation, and is guided by the norms and standards established and agreed by UN agencies through the [United Nations Evaluation Group](#) (UNEG). The IEO Director is responsible for ensuring the independence of the Office and upholding the impartiality and credibility of its work. He reports directly to the UNDP Executive Board. The IEO Director also engages with the UNDP Administrator's [Audit and Evaluation Advisory Committee](#) (AEAC), which reviews and offers advice on the implementation of UNDP oversight functions managed by IEO, OAI, and the Ethics Office.

Structure: IEO is headed by a Director and supported by one Deputy Director. As of 31 December 2023, the office had 42 approved personnel posts, which included 27 FTAs, 5 TAs and 10 IPSA staff. Total IEO budget for 2023 was \$14.44 million.



III. ETHICS OFFICE

Mandate, purpose, reporting requirements and partnerships

The UNDP Ethics Office supports personnel serving UNDP and affiliated entities. Its mandate is to foster and promote a culture of ethics, integrity, and accountability. The purpose of the office is to enhance the trust in, and the credibility of, the United Nations and UNDP, internally and externally.

The Office advances its programme across mandated areas and terms of reference outlined in [ST/SGB/2007/11](#) and [ST SGB 2007 11 Amend 1](#), consistent with [ST/SGB/2005/22](#), as well as General Assembly resolutions [60/1](#) (paragraph 161(d)), [60/248](#) (part XIII) and [60/254](#) (paragraph 16). The Office's role as part of UNDP's independent internal oversight functions is reflected in the [Accountability Framework and Oversight Policy](#).

The Office has operational independence and reports directly to the Administrator. It submits an annual report directly to the Executive Board (2023 report [DP/2024/11]; [2022 report](#); [2021 report](#)). The Office engages directly and independently with the Executive Board, as needed.² Further supporting independence, the Office engages regularly with the Audit and Evaluation Advisory Committee, whose mandate in relation to the Office reflected in its [terms of reference](#). The Office also contributes to the work of the United Nations Joint Inspection Unit on ethics-related matters. The Office is a member of the [Ethics Panel of the United Nations](#) and the Ethics Network of Multilateral Organizations, currently serving as Co-Chair of the Chapter for organizations belonging to United Nations System Chief Executives Board for Coordination.

Structure

Based in Headquarters, Office staff in 2023 were: a Director (D1), an Ethics Adviser (P5), two Ethics Specialists (P3) and an Administrative Associate (G6). The Ethics Office's 2023 institutional budget was approximately \$1.3 million (maintained at the same level as 2022). In addition, on a cost recovery basis, the Ethics Office is partnering with the Bureau for Latin America and the Caribbean on a dedicated ethics awareness initiative.

² Decision 2022/16, paragraph 4 ([DP/2023/4](#)).