

OAI Audit of UNDP Controls for the Management of GEF Resources
Management Actions and Status
Jan 22, 2021

<p>Management Action 1. BPPS will finalize the update to the GEF project delegation of authority letter from the BPPS NCE/VF Executive Coordinator to the Country Office Resident Representative (RR). The updated delegation of authority format will change from a letter to an agreement clarifying the requirement to segregate duties and clarifying the various oversight tasks to be undertaken by the Country Office and overseen by the Regional Bureau and BPPS, and the conditions under which the delegation of authority will be revoked. The updated delegation of authority format will require the signature of the NCE/VF Executive Coordinator, the RR and the Deputy Director of the Regional Bureau. The updated delegation of authority template will be uploaded to the POPP. Expected completion date: 15 December 2020</p>
<p>Status: <i>Management actions are completed. Awaiting confirmation from OAI.</i></p>
<p>Management Action 2. BPPS, in consultation with the Regional Bureaux, will finalize the draft Roles/Accountability/Consult/inform (RACI) matrix covering the entire GEF project cycle from origination to project financial closure, including oversight and upload the final RACI to the POPP. Expected completion date: 15 January 2021.</p>
<p>Status: <i>Implemented; assessed by OAI as closed</i></p>
<p>Management Action 3. BPPS, in consultation with the Regional Bureau, will update the July 2020 UNDP GEF project document template regarding the roles and responsibilities of UNDP Country Offices and implementing partners to further clarify UNDP oversight roles and responsibilities and upload this to the POPP. This will include oversight of regional and global projects. Expected completion date: end June 2021</p>
<p>Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i></p>
<p>Management Action 4. Regional Bureaux and BPPS will convene joint meetings three times a year (January, June, October) and review the performance of the GEF portfolio by region and by country. Delays, risks, and implementation and oversight challenges in Country Offices will be discussed, and action plans developed with clear roles and responsibilities and timelines for follow up. Expected completion date: 31 January 2021 (first meeting end January 2021; second meeting end May 2021 and third meeting end September 2021)</p>
<p>Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i></p>
<p>Management Action 5. Regional Bureaux have already implemented some strengthened oversight measures over GEF projects. Regional Bureau monitoring and oversight frameworks have been revised to strengthen quantitative and qualitative data on GEF projects; oversight of high-risk Country office-level projects have been revised and additional checks and balances have been put in place.</p>
<p>Status: <i>Completed. OAI assessed that this action to be completed in the audit report itself.</i></p>
<p>Management Action 6. BPPS will finalize the draft Standard Operating Procedures (SOPs) related to project origination outlining the procedures and criteria on the basis of which requests for GEF programming by governments to UNDP may or may not be accepted. The SOPs are expected to be completed by 15 December 2020.</p>
<p>Status: <i>Management actions are completed. Awaiting confirmation from OAI.</i></p>
<p>Management Action 7. BPPS will finalize the online tool to trace time spent delivering GEF oversight services and it will be subsequently implemented. The timeline is as follows: (i) Tracking system final development in PIMS+ by 31 January 2021, and full implementation by 31 March 2021</p>
<p>Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i></p>
<p>Management Action 8. BPPS, in coordination with the Regional Bureau and Bureau for Management Services, will finalize the already advanced draft Country Office Capacity Diagnostic/Assessment tool for use within the context</p>

of the overall capacity assessment for significantly changing portfolios. The timeline is as follows: 31 March 2021 (Country Office Assessment tool to be finalized; 31 April 2021(included in the POPP; 31 May 2021(roll out commenced)

Status: *Work underway. Expected to be rolled out ahead of schedule.*

Management Action 9. BPPS and the Bureau for Management Services, in close coordination with the Regional Bureaux, will upgrade and improve the capacity assessment tools for implementing partners, including a strengthening of the focus within the capacity assessment tools of procurement capabilities. Guidance and procedures will be further enhanced to ensure that the experience of working with the implementing partners, as identified through the monitoring, spot check and other assurance activities (including audits) are acted upon through adjustments to the assurance plans and disbursement modalities during the lifecycle of the project.

Status: *Work underway. UNDP does not expect any delays in implementing this action. On Track.*

Management Action 10. The system of monitoring, oversight and strengthened management will be applied to implementing partner audit performance:

- Bureau for Management Services shall include NIM audit performance in its corporate monitoring of audit performance, including regular reporting to the OPG.
- Regional Bureaux will strengthen their oversight on Country Offices on the management of implementing partner risks and audit observations.
- Country Offices will strengthen their risk management activities to ensure that risks identified via implementing partner audits are adequately addressed (which may require GEF Secretariat approval to provide Country Office support to national implementation) and assurance plans and disbursement modalities adjusted accordingly.

Status: *Work underway. UNDP does not expect any delays in implementing this action. On Track.*

Management Action 11. BPPS, Regional Bureau, and Country Offices will use the risk dashboard in PIMS+ to monitor GEF risks and will discuss risks and corresponding action plans during the joint GEF portfolio performance meetings held three times a year.

Status: *Work underway. UNDP does not expect any delays in implementing this action. On Track.*

Management Action 12. BPPS will continue to upload GEF specific guidance and templates to the UNDP POPP with regular updating throughout the year as and when needed. BPPS is expected to start uploading the first set of GEF guidance notes by 31 January 2021.

Status: *Work underway. UNDP does not expect any delays in implementing this action. On Track.*

Management Action 13. UNDP has already developed a stand-alone AML/CFT policy with a view to consolidating/aggregating the various existing policies relating to AML/CFT and to upload this policy to the POPP. The draft policy is currently undergoing an inter-bureau review. BPPS, together with the Bureau for Management Services, in consultation with the Regional Bureaux will work towards the approval of the stand-alone policy as soon as the review process is completed.

Status: *Work underway. UNDP does not expect any delays in implementing this action. On Track.*

Management Action 14. BPPS will include compliance with monitoring of GEF co-financing to the project objectives at mid-point and project closure in the updated delegation of authority agreement. This will clarify that accurate monitoring and reporting of co-financing will be a key performance and will clarify the implications of non-compliance. The delegation of authority agreement template will be uploaded to the POPP.

Status: *Management actions are completed. Awaiting confirmation from OAI.*

Management Action 15. The Bureau for Management Services, with the support of Regional and Central Bureau, will implement to the extent possible, preventive auto controls in Atlas that reduce the incidence of breaches in segregation of duties when assigning Atlas Argus profiles. This action was expected to be completed by 31 December 2021.

Status: *Implemented; assessed by OAI as closed*

Management Action 16. Regional Bureaux will continue to include Internal Control Framework implementation as a performance indicator of Country Office senior managers.
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>
Management Action 17. Regional Bureaux and Country Offices, with the support of the Bureau for Management Services/Office of Financial Resources Management, will complete a review of the Internal Control Frameworks and ensure their implementation and findings are addressed. This action is expected to be completed by 31 January 2021
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>
Management Action 18. The introduction of clustering of services across Bureaux is envisioned to enhance oversight as well as management accountability of Country Office transactions processed, with robust SOPs in place to support the transaction workflows.
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>
Management Action 19. BPPS will continue to provide oversight of GEF portfolio level risks using the PIMS+ risk dashboard. GEF risks will continue to be escalated from RTAs to the BPPS Executive Coordinator for appropriate actions.
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>
Management Action 20. BPPS will include compliance with UNDP's Enterprise Risk Management Policy and the requirement for up-to-date project risk registers in the updated delegation of authority agreement. This will clarify that accurate project risk registers will be a key performance indicator and will clarify the implications of non-compliance. The delegation of authority agreement template will be uploaded to the POPP.
Status: <i>Completed ahead of schedule; assessed by OAI as implemented</i>
Management Action 21. Regional Bureaux will oversee Country Office compliance with project-level risk management and treatment as required by the UNDP Enterprise Risk Management Policy and will provide training activities for Country Offices on the timely completion of risk registers.
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>
Management Action 22. BPPS will prepare detailed guidance and clear procedures on the internal and external approvals required when making GEF project amendments during project implementation. This guidance will be uploaded to the POPP. Estimated completion date: 31 January 2021
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>
Management Action 23. BPPS will continue the internal consultation process already started to develop additional guidance on the roles and responsibilities of project boards. This guidance will make relevant distinctions between the different implementation modalities (NIM, NIM with Country Office Support or DIM). The guidance will be incorporated into the UNDP-GEF project document template and uploaded to the POPP. Estimated completion date: 30 June 2021
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>
Management Action 24. The Regional Bureaux will provide refresher training to Country Offices on all aspects of programme and project management (PPM/POPP) including UNDP's private sector policy and screening procedure. Estimated completion date: 30 April 2021
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>
Management Action 25. The 2021 GEF PIR will be revised to require reported results be substantiated by evidence to be uploaded to the on-line reporting platform in PIMS+.
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>
Management Action 26. The Bureau for Management Services will strengthen the existing guidance on Country Office's responses to qualified expenses arising from audits of implementing partners, addressing documentation

requirements and remedial actions to strengthen assurance activities. UNDP is expected to complete this action by 31 March 2021.
Completed ahead of schedule; assessed by OAI as implemented
Management Action 27. Country Offices, under the oversight of Regional Bureaux, shall strengthen their assurance activities to ensure that financial transactions charged to GEF projects are valid, and adequate supporting documentation is maintained.
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>
Management Action 28. Regional Bureaux have put in place strengthened transaction-level oversight in high-risk offices
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>
Management Action 29. BPPS will include the proper procurement management in the updated delegation of authority agreement. This will clarify that procurement management will be a key performance indicator and the implications of poor performance. The delegation of authority agreement template will be uploaded to the POPP. UNDP is expected to complete this task by 15 December 2020.
Status: <i>Management actions are completed. Awaiting confirmation from OAI.</i>
Management Action 30. Under Regional Bureau oversight, GEF project procurement will be assessed to ensure alignment with mandatory procedures that apply to all projects. These assessments will be discussed with BPPS during joint meetings three times a year.
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>
Management Action 31. For procurement processes undertaken by UNDP, the Bureau for Management Services will further improve procurement process management with the roll-out of the new Oracle Cloud ERP application, which will be part of an end-to-end digital tool for procurement. This is expected to improve the weaknesses identified in procurement planning, evaluation team establishment and evaluation of offers as it is envisaged that all actions will occur within and documents maintained in the tool.
Status: <i>Work underway. UNDP does not expect any delays in implementing this action. On Track.</i>