# **Annex 3 – UNDP Status of Implementation on UNBOA Open Audit**

# **Recommendations**

1. **In paragraph 30, the Board recommends that UNDP review its presentation in the financial statements and the notes with regard to receivables and liabilities to United Nations entities in order to determine if a change in presentation could bring further clarity and enhance the value of the financial statements for stakeholders as well as enhance stakeholders’ understanding of the financial statements.**

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| *Department(s) responsible:* | BMS/ Office of Financial Resources Management |
| *Status:* | In progress |
| *Target date:* | Q1, 2021 |

The changes in the FS presentation will be made for the UNDP 2020 Final Financial Statements. UNDP expects this recommendation to be implemented by Q1, 2021 and assessed positively by UNBOA during May 2021 assessment period.

1. **In paragraph 40, the Board recommends that, in the next financial statements, UNDP derecognize revenue and expenses for staff costs related to staff for whom funding partners contributed resources and who were assigned to the Resident Coordinator System.**

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| *Department(s) responsible:* | BMS/ Office of Financial Resources Management |
| *Status:* | In progress |
| *Target date:* | Q1, 2021 |

UNDP has a process in place to identify the costs of those officials assigned to the UN Resident Coordinator System. The necessary contributions and costs will be derecognised through the year-end financial statement process. UNDP expects this recommendation to be implemented by Q1, 2021 and assessed positively by UNBOA during May 2021 assessment period.

1. **In paragraph 49, the Board recommends that UNDP find a solution for the local situation in this country and ensure that the country office request adequate evidence for service contract holders’ pension plan coverage and for their monthly remittances to the social security schemes.**

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| *Department(s) responsible:* | Regional Bureau of Africa |
| *Status:* | In progress |
| *Target date:* | Q1, 2021 |

UNDP is in discussion with service contract holders in the specific country office to which this recommendation applies. The recommendation is expected to be implemented by Q1, 2021.

1. **In paragraph 50, the Board also recommends that UNDP ensure that the country office uses the current service contracts template for new service contracts and update existing contracts which were signed before the new template had been launched.**

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| *Department(s) responsible:* | Regional Bureau of Africa |
| *Status:* | Implemented |
| *Target date:* | Q3, 2020 |

UNDP has implemented this recommendation.

1. **In paragraph 62, the Board recommends that UNDP revise its enterprise risk management policy to exclude external oversight bodies such as the United Nations Board of Auditors from the third line of defence.**

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| *Department(s) responsible:* | BMS/Directorate |
| *Status:* | Implemented |
| *Target date:* | Q3, 2020 |

UNDP has implemented this recommendation.

1. **In paragraph 77, the Board recommends that UNDP enhance awareness of country offices and other units on how to conduct fraud risk assessments in an integrated manner, for example by presenting good practices at regional or annual retreats of its managers.**

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| *Department(s) responsible:* | BMS/Directorate, OFRM and Central and Regional Bureaux  |
| *Status:* | In progress |
| *Target date:* | Q3, 2021 |

UNDP to finalize the draft anti-fraud strategy, organize webinars to all regions to raise awareness on Fraud Risk assessment and how to Integrate Fraud risks in the ERM tool, include additional information about Fraud Risk assessment and Management in the IWP/Risk Register guidance and coordinate with regional bureaus to include fraud risks management session at regional/annual retreats.

1. **In paragraph 78, the Board recommends that UNDP tighten the assertions by adding an affirmative statement that an office had assessed fraud and corruption risks in an integrated manner as required by the anti-fraud policy and the enterprise risk management policy.**

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| *Department(s) responsible:* | BMS/ Office of Financial Resources Management |
| *Status:* | Implemented |
| *Target date:* | Q3, 2020 |

UNDP has implemented this recommendation.

1. **In paragraph 98, the Board recommends that UNDP define its organizational priorities through an organization-specific anti-fraud strategy which should incorporate current good practices.**

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| *Department(s) responsible:* | BMS/ Office of Financial Resources Management |
| *Status:* | In progress |
| *Target date:* | Q4, 2020 |

UNDP is in the process of finalizing its anti-fraud strategy.

1. **In paragraph 99, the Board recommends that UNDP continue to implement its fraud risk management framework action plan and provide regular updates on the status to UNDP’s Risk Committee which should be documented in the meeting minutes.**

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| *Department(s) responsible:* | BMS/Directorate  |
| *Status:* | In progress |
| *Target date:* | Q1, 2021 |

UNDP has provided the Risk Committee an update on UNBOA findings on fraud in July 2020. UNDP will present to the Risk Committee in Q4, 2020 an update on the Fraud Risk Management Framework Action Plan.

1. **In paragraph 100, the Board recommends that UNDP set a realistic time frame for implementing its fraud risk management framework action plan.**

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| *Department(s) responsible:* | BMS/Directorate |
| *Status:* | In progress |
| *Target date:* | Q1, 2021 |

UNDP is in the process of updating its Fraud Risk Management Framework Action Plan to include realist timeframe.

1. **In paragraph 101, the Board recommends that UNDP enhance awareness of country offices and other units on how to document fraud risk treatment actions in the corporate risk management tools available, for example by presenting good practices at regional or annual retreats of its managers.**

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| *Department(s) responsible:* | BMS/Directorate and Central and Regional Bureaux  |
| *Status:* | In progress |
| *Target date:* | Q1, 2021 |

UNDP to finalize the draft anti-fraud strategy, organize webinars to all regions to raise awareness on Fraud Risk assessment and how to Integrate Fraud risks in the ERM tool, include additional information about Fraud Risk assessment and Management in the IWP/Risk Register guidance and coordinate with regional bureaus to include fraud risks management session at regional/annual retreats.

1. **In paragraph 115, the Board recommends that UNDP further enhance its efforts and continue to raise fraud awareness internally.**

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| *Department(s) responsible:* | BMS/Directorate, OFRM and Central and Regional Bureaux  |
| *Status:* | In progress |
| *Target date:* | Q1, 2021 |

UNDP to finalize the draft anti-fraud strategy and organize webinars to all regions to raise awareness on Fraud internally through webinars and email communications. In addition, enhanced training is planned for regional bureaus.

1. **In paragraph 124, the Board recommends that UNDP further enhance its continuous efforts to raise fraud awareness with external partners.**

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| *Department(s) responsible:* | BMS/Procurement Sourcing Unit and BERA |
| *Status:* | Implemented |
| *Target date:* | Q3, 2020 |

UNDP’s policy against fraud and other corrupt practices now linked to the external websites of all country offices for increased awareness externally.

1. **In paragraph 134, the Board reiterates its recommendation that UNDP review the cases of non-compliance presented by the Board and analyse the reasons for and the circumstances in which bureaux and country offices did not fully comply with the corporate internal control framework.**

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| *Department(s) responsible:* | BMS/Office of Financial Resource Management and Regional Bureaux |
| *Status:* | Implemented |
| *Target date:* | Q3, 2020 |

UNDP is reviewing all cases of non-compliance by Regional Bureaus and country offices identified by the auditors, and new cases which have arisen since the audit was performed. UNDP is taking corrective action via automating segregation of duties where possible or implementing detective control of reviewing cases of non-compliance.

1. **In paragraph 135, the Board recommends that UNDP develop an adequate project outline with appropriate timelines and budgets for the planning phase involved in a complex multi-year project to introduce a new enterprise resource planning system.**

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| *Department(s) responsible:* | BMS/ Office of Information and Management Technology |
| *Status:* | Implemented |
| *Target date:* | Q3, 2020 |

UNDP has implemented this recommendation.

1. **In paragraph 136, the Board reiterates its recommendation that UNDP on the basis of the above analysis further refine its internal control framework and further recommends that UNDP streamline its internal control framework documentation in the operational guide to strengthen its implementation.**

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| *Department(s) responsible:* | BMS/Office of Financial Resources Management |
| *Status:* | Implemented |
| *Target date:* | Q3, 2020 |

UNDP has updated the Internal Control Framework (ICF) to reflect changes noted by UNBOA, and sent communication to all Cos and RBx in July. UNDP has further sent another global communication to RBx to remind Bx and COs to comply with the new changes in ICF.

1. **In paragraph 148, the Board recommends that UNDP assess applying good practices such as rotation of tasks amongst personnel in contexts where a higher risk of fraudulent acts had been identified.**

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| *Department(s) responsible:* | BMS/Procurement Sourcing Unit. OHR and Global Shared Services Unit |
| *Status:* | In progress |
| *Target date:* | Q1, 2021 |

UNDP GSSU Finance unit has started offering staff the opportunity to rotate within GSSU units for capacity building. This process will be systemized to ensure that staff have a maximum time spent in a position. Thus, reducing the risk of fraud while allowing staff to have an end-to-end view of all Finance processes. A rotation guideline will be developed by Q1, 2021.

1. **In paragraph 153, the Board recommends that UNDP record the vehicles not yet included in the enterprise resource planning system in compliance with IPSAS 17: Property, plant and equipment.**

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| *Department(s) responsible:* | Regional Bureaux |
| *Status:* | In progress  |
| *Target date:* | Q1, 2021 |

UNDP office along with the regional bureau is working with the country office in question to ensure all concerned vehicles are included in the enterprise recourse planning system.

1. **In paragraph 154, the Board recommends that UNDP enhance awareness of the importance to fully comply with requirements in place to physically verify the existence and completeness of vehicles in country offices where matters of non-compliance were identified.**

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| *Department(s) responsible:* | BMS/ Office of Sourcing and Operations and Regional Bureaux |
| *Status:* | In progress |
| *Target date:* | Q1, 2021 |

UNDP has strengthened its communication to the regional bureaus and country offices on the need to ensure all vehicle records are reviewed and updated in the enterprise recourse planning system. Multiple communications have been sent since July to date to country offices.

1. **In paragraph 159, the Board recommends that UNDP establish a detective control at global shared services unit level to ensure that information entered by country offices in the enterprise resource planning system is correct and accurate.**

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| *Department(s) responsible:* | Global Shared Services Unit and BMS/Office of Human Resources |
| *Status:* | In progress |
| *Target date:* | Q4, 2021 |

As part of the Clustering implementation of HR services, the HR Administration of local personnel is expected to be completely centralised in GSSU. This will prevent CO to make any data entry in Atlas and from that moment onwards GSSU will be responsible for setting up a proper verification process.

1. **In paragraph 166, the Board recommends that UNDP streamline existing referencing on eligibility checks to be performed during vendor creation.**

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| *Department(s) responsible:* | BMS/Procurement Sourcing Unit |
| *Status:* | Implemented |
| *Target date:* | Q4, 2020 |

UNDP has implemented this recommendation.

1. **In paragraph 167, the Board recommends that UNDP streamline and enhance guidance on required supporting documents for vendor creation.**

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| *Department(s) responsible:* | BMS/Procurement Sourcing Unit and BMS/Treasury |
| *Status:* | In progress |
| *Target date:* | Q4, 2020 |

UNDP agreed with the recommendation.

1. **In paragraph 173, the Board recommends that UNDP enhance existing guidance for business units outlining procedures to be performed at regular intervals for vendor monitoring and maintenance of vendor records and continuous due diligence.**

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| *Department(s) responsible:* | BMS/Procurement Sourcing Unit  |
| *Status:* | Implemented |
| *Target date:* | Q4, 2020 |

UNDP has implemented this recommendation.

1. **In paragraph 174, the Board recommends that UNDP implement the recently established process to regularly review its vendor databases to exclude ineligible vendors.**

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| *Department(s) responsible:* | BMS/Procurement Sourcing Unit  |
| *Status:* | Implemented |
| *Target date:* | Q4, 2020 |

UNDP has implemented this recommendation.

1. **In paragraph 175, the Board recommends that UNDP periodically inform all business units on new suspensions or entities and individuals sanctioned at the recommendation of the UNDP vendor review committee.**

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| *Department(s) responsible:* | BMS/Procurement Sourcing Unit |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

UNDP is in the process of formalizing a process to inform all business units on new suspensions or entities and individuals sanctioned at the recommendation of the UNDP vendor review committee.

1. **In paragraph 180, the Board** **recommends that UNDP expedite the clearing of the backlog of vendor cases to be reviewed by the vendor review committee.**

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| *Department(s) responsible:* | BMS/Procurement Sourcing Unit |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

UNDP is working to clear its backlog of vendor cases and plans to clear them all by 2021.

1. **In paragraph 200, the Board recommends that UNDP continue to provide feedback to and to engage with the Development Coordination Office on 1 per cent levy matters (including challenges observed at country level and questions on interpretation of the United Nations Secretariat guidance).**

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| *Department(s) responsible:* | BMS/Office of Financial Resource Management and BERA |
| *Status:* | Implemented |
| *Target date:* | Q4, 2020 |

UNDP has implemented this recommendation.

1. **In paragraph 201, the Board recommends that UNDP develop a standardized template and encourage its use among country offices in order to state the reasons why a specific contribution agreement was exempted from the levy in line with the United Nations Secretariat guidance checklist.**

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| *Department(s) responsible:* | BMS/Office of Financial Resources Management |
| *Status:* | Implemented |
| *Target date:* | Q4, 2020 |

UNDP has implemented recommendation.

1. **In paragraph 213, the Board encourages UNDP to continue to further enhance its system to operationalize, monitor and report on funding compact commitments.**

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| *Department(s) responsible:* | BERA |
| *Status:* | Implemented |
| *Target date:* | Q3, 2020 |

UNDP has continued to make progress on the funding compact commitment and reported to the Executive Board at the second regular session of 2020 showing progress on 76.9% of the entity-specific indicators (compared to 60% average score for the UN development system).As per the BOA recommendation, UNDP updated the baselines, annual targets and milestones for entity-specific commitments of the funding compact through the structured funding dialogue report with a dedicated annex-2 https://www.undp.org/content/dam/undp/library/corporate/Executive%20Board/2020/Second-regular-session/DP2020-20\_Annex%20II.docx. UNDP continued to make the case for core funding, using the Administrator’s engagements with Member States, identifying country examples that show how core funding is making a difference, empowering UNDP’s Resident Representatives to promote and provide visibility to core contributors, etc. As instructed by the Executive Board decision, UNDP through the inter-agency working group (UNDP, UNFPA, UNICEF and UN Women) started the work to come up with a common system-wide definition for joint activities under DCO’s leadership.

1. **In paragraph 224, the Board recommends that UNDP continue to monitor open Resident Coordinators Office projects identified and expedite project closure to the extent possible.**

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| *Department(s) responsible:* | BMS/Directorate |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

UNDP been working with relevant units in order to expedite RCO projects closure. All open projects will be closed by Q2, 2021.

1. **In paragraph 225, the Board recommends that UNDP continue to monitor and report the number of staff members provided under transition arrangements to the Resident Coordinator System and document when these transitional arrangements cease to exist.**

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| *Department(s) responsible:* | BMS/Directorate and BMS/Office of Human Resource Management |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

UNDP agreed with the recommendation.

1. **In paragraph 232, the Board recommends that UNDP use the results from the joint survey with the Development Coordination Office to assess and, if needed, to refine its service offer to the United Nations Resident Coordinator System and its operational support to country offices.**

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| *Department(s) responsible:* | BMS/Directorate |
| *Status:* | In progress |
| *Target date:* | Q1, 2021 |

The joint UNDP and UN DCO service provision survey was successfully launched on 26 August 2020. The UNDP country offices and the Resident Coordinator Offices have started participating in the survey, and the survey will be kept open till 25 September 2020, or extended as needed. The analysis of results will be finalized shortly after the closure date, not later than end of October and UNDP looks forward to the identification of areas for further improvement and refining service offerings.

1. **In paragraph 236, the Board recommends that UNDP continue to follow up on signing local service level agreements for the service provision to the Resident Coordinators Office.**

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| *Department(s) responsible:* | BMS/Directorate |
| *Status:* | Implemented |
| *Target date:* | Q4, 2020 |

UNDP has implemented this recommendation.

1. **In paragraph 252, the Board recommends that UNDP use the feedback obtained on the Management and Accountability Framework to inform its contribution to the revision of the country-level framework in order to ensure that accountability is strengthened.**

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| *Department(s) responsible:* | BERA |
| *Status:* | In progress |
| *Target date:* | Q1, 2021 |

UNDP has carefully analyzed the feedback on the Management and Accountability Framework (MAF) and compared survey results with similar surveys conducted by UNICEF and UNFPA to identify key challenges and understand what management action may need to be taken. UNDP has contributed to the design of a survey of RCOs/UNCTs to be issued by DCO in preparation of the revision of the country-level framework. UNDP’s analysis of MAF implementation to date will subsequently inform our contribution to the planned revision of the country-level MAF, as well as the design of a robust regional chapter, to ensure that mutual accountability is strengthened and the independent RC system serves all UNDS entities in the promotion of their mandates.

1. **In paragraph 269, the Board recommends that UNDP continue its participation in the inter-agency dialogue on the client satisfaction principles as well as the costing and pricing principles and, in cooperation with other stakeholders, explore options on how this inter-agency dialogue on the costing and pricing principles may be enhanced in order to address existing concerns of United Nations entities who have not agreed with the principles.**

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| *Department(s) responsible:* | BMS/Directorate |
| *Status:* | Implemented |
| *Target date:* | Q4, 2020 |

UNDP has implemented this recommendation.

1. **In paragraph 288, the Board recommends that UNDP consider further streamlining the mapping of its contributions to the United Nations development system reform process and continue its strong engagement in all inter-agency workstreams for the United Nations development system reform.**

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| *Department(s) responsible:* | BMS/Directorate and BERA |
| *Status:* | Implemented |
| *Target date:* | Q3, 2020 |

UNDP continues to closely monitor and record its contributions to UNDS reform. To date UNDP has provided seven updates to the Executive Board spelling out in detail how UNDP engages in UNDS reform strands, how UNDS reform is affecting UNDP and how the organization positions itself in this new reform context. UNDP continues to work closely with other UN agencies on issues related to UN Reform. The UNICEF-UNDP Framework for Action, which has been extended to also cover COVID-19 response, serves as an instrument to deepen joint collaboration between both agencies, advancing the principles of UN reform. UNDP is also expanding collaboration with FAO, ILO and UNEP, among others. UNDP, UNFPA, UNICEF and UN Women worked together towards a common chapter of the Strategic Plans, which describes key areas of collaboration amongst these four funds and programmes as well as common indicators to carry this work forward. As Vice Chair and member of the UNSDG, UNDP is also supporting efforts to review the UNSDG and the Core Group with the aim of strengthening both inter-agency mechanism.

1. **In paragraph 289, the Board recommends that UNDP use the opportunities and challenges identified in surveys related to the United Nations development system reform to further refine its support to the country level on reform related matters.**

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| *Department(s) responsible:* | BERA |
| *Status:* | In-progress |
| *Target date:* | Q4, 2020 |

UNDP has been proactive in collecting data on UNDS reform from its country offices, aiming to get a better understanding for how reform strands have been implemented, which knowledge gaps still exist and how they can be addressed. The most recent survey of this kind has been the UNDP-led UNDS reform survey conducted in June 2020. The data collected will be triangulated with other surveys that are being conducted, such as the upcoming DCO-led survey on the implementation of the MAF at country level, in order to provide UNDP with a clearer and evidenced-based understanding of how the organization can better support UNDS reform implementation. UNDP is also engaged with DCO and other UN partners to identify common challenges and opportunities as identified in the reform survey to improve support to country offices towards more coordination, coherence, efficiency and joint implementation and results.

# **Implementation of the recommendations contained in the report of**

# **the Board of Auditors for prior financial periods**

**Report of the Board for the year ended 31 December 2018:**

1. **In paragraph 47, the Board recommended that UNDP enhance the process for manual recording of exchange transactions at the country office level in order to ensure that revenue is recorded in the period in which UNDP rendered the services, as required under an accrual basis of accounting.**

In 2019, UNDP included confirmation of recording of exchange revenue in the annual assertion that is required to be certified by country offices. UNDP plans to strengthen the assertion for 2020 to provide country offices the exchange revenue transaction details for their review and confirmation.

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| *Department(s) responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Target date:* | Q4, 2020 |

1. **In paragraph 49, the Board recommended that UNDP ensure that country office provide on-the-job training so that personnel have the required sustainable awareness to accurately record exchange transactions in accordance with UNDP policies and instructions.**

In 2020, UNDP will train staff to pursue collection efforts and book revenue in line with UNDP policies and procedures.

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| *Department(s) responsible:* | BMS/ Office of Financial Resources Management and Regional Bureaux |
| *Status:* | In progress |
| *Target date:* | Q4, 2020 |

1. **In paragraph 75, the Board recommended that UNDP review the cases of non-compliance presented by the Board and analyse the reasons and circumstances why Bureaux and Country Offices did not fully comply with the corporate internal control framework.**

UNDP has reviewed the cases of non-compliance and updated its control in Atlas to address this recommendation.

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| *Department(s) responsible:* | BMS/ Office of Financial Resources Management and Regional Bureaux |
| *Status:* | Implemented |
| *Target date:* | Q4, 2020 |

1. **In paragraph 76, the Board recommended that UNDP, based on the above analysis, further refine its internal control framework to strengthen its implementation.**

UNDP has updated the corporate ICF to reflect changes noted by UNBOA. UNDP has already sent communication to all Cos and RBx in July and has sent another global communication in October to RBx to ensure COs comply with the new changes in ICF.

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| *Department(s) responsible:* | BMS/ Office of Financial Resources Management and Regional Bureaux |
| *Status:* | Implemented  |
| *Target date:* | Q3, 2020 |

1. **In paragraph 85, the Board recommended that UNDP assess whether and what internal financial control procedures could be enacted by UNDP to enhance data quality and limit risks of errors by means of having standardized control procedures and an appropriate documentation which evidence that control procedures have been performed.**

The existing documentation of controls, as specified in the internal control framework, and embedded in the policies and procedures content, sets out the policy framework for appropriate documentation. These are periodically reviewed.

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| *Department(s) responsible:* | BMS/ Office of Financial Resources Management and Regional Bureaux |
| *Status:* | In progress |
| *Target date:* | Q4, 2020 |

1. **In paragraph 93, the Board recommended that UNDP ensure that country offices either establish their own standard template with at least minimum documentation requirements for programmatic output verification or use the template provided by UNDP.**

UNDP's Monitoring Policy states output progress and/or completion must be verified at least annually and a corporate template is provided for verification. It views sustained compliance will best result from enhancements to the corporate planning system.

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| *Department(s) responsible:* | Bureau for Policy and Programme Support and Regional Bureaux |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

1. **In paragraph 116, the Board recommended that UNDP ensure that Country Offices document the review of and conclusions drawn from micro assessments.**

The policy on harmonized approach to cash transfers has been updated to address this recommendation. In the view of the Board, the requirement already existed in the policy but was not complied with. The Board noted that regional bureaux provided guidance and support to the country offices on the implementation of the harmonized approach to cash transfers. This includes guidance on audits and on the completeness of micro assessments carried out. The Board also noted that UNDP quarterly followed up on potential issues with regard to the harmonized approach to cash transfers implementation at the country offices. However, the Board again noted various cases of non-compliance with this requirement.

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| *Department(s) responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Target date:* | Q4, 2020 |

1. **In paragraph 124, the Board recommended that UNDP update the HACT policy to include that the HACT SharePoint should be used for the mandatory planning of all assurance activities and that UNDP ensure the review of annual assurance activity plans.**

The policy on harmonized approach to cash transfers has been updated to address this recommendation. The Board noted that UNDP updated the harmonized approach to cash transfers policy to address the recommendation to use the harmonized approach to cash transfers monitoring platform for planning assurance activities. The Board considers this part of the recommendation to be implemented. The Board also noted that UNDP provided guidance and training to regional bureaux for the oversight of implementation of the harmonized approach to cash transfers. However, the Board also noted various cases of non-compliance with the requirement to review annual assurance activity plans. The Board considers this part of the recommendation to be under implementation.

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| *Department(s) responsible:* | Regional Bureaux  |
| *Status:* | In progress |
| *Target date:* | Q4, 2020 |

1. **In paragraph 129, the Board recommended that UNDP strengthen oversight and monitoring functions for the HACT framework.**

Oversight of country office harmonized approach to cash transfers implementation is the responsibility of regional bureaux. During 2019, bureaux included Programme/Project Management related issues, including harmonized approach to cash transfers compliance at the regional operation managers workshops to supplement their ongoing oversight of country offices based on results reflected in the harmonized approach to cash transfers dashboard.

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| *Department(s) responsible:* | Regional Bureaux |
| *Status:* | In progress |
| *Target date:* | Q4, 2020 |

1. **In paragraph 157, the Board recommended that UNDP, as part of its people strategy, review the policies on service contracts and individual contracts in order to establish clear criteria for assessing what constitutes a staff task/function and which tasks and functions may be transferred to other contractual modalities than regular staff contracts.**

As part of its “People for 2030” strategy, UNDP is in the process of developing multiple options for changes to its contract modalities to enable it to hire personnel under the appropriate contractual modality needed for UNDP to effectively fulfil its mandate. The updated policy will be launched by Q2, 2021.

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| *Department(s) responsible:* | BMS/ Office of Human Resources and BMS/ Office of Sourcing and Operations |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

1. **In paragraph 161, the Board recommended that UNDP review its policy on service contracts in order to clarify recurring matters of non-compliance and consider amending the requirements defined in the policy that UNDP does not intend to implement.**

UNDP is in the process of reviewing its policy on service contracts. A dedicated senior advisor was appointed in November 2019 and is driving forward the changes to service contracts modalities. An implementation plan has been agreed with an aim to launch a new policy by Q2, 2021.

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| *Department(s) responsible:* | BMS/ Office of Human Resources |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

1. **In paragraph 168, the Board recommended that UNDP review its policy on service contracts, including the use and the requirement of the waiver of competitive recruitment.**

UNDP is in the process of reviewing its policy on service contracts. A dedicated senior advisor was appointed in November 2019 and is driving forward the changes to service contracts modalities. An implementation plan has been agreed with an aim to launch a new policy by Q2, 2021.

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| *Department(s) responsible:* | BMS/ Office of Human Resources |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

1. **In paragraph 173, the Board recommends that UNDP review the responsibilities and monitoring function for the service contract modality as part of implementing the “People for 2030” strategy and define how much monitoring or oversight from headquarters is feasible and reasonable.**

As part of implementation of the People for 2030 strategy, UNDP is reviewing various aspects of the service contractor modality, including appropriate usage, compensation, recruitment, career progression, etc. An implementation plan has been agreed with an aim to launch a new policy by Q2, 2021.

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| *Department(s) responsible:* | BMS/ Office of Human Resources |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

1. **In paragraph 191, the Board recommended that UNDP review its policy on individual contracts in order to clarify recurring matters of non-compliance and to strengthen oversight by the procurement committees.**

UNDP views individual contractors an important part of its workforce and is reviewing changes to its usage along with other contract modalities as part of implementing the People for 2030 strategy. This recommendation is being addressed by UNDP as appropriate in the context of this exercise by Q2, 2021.

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| *Department(s) responsible:* | BMS/ Office of Human Resources and BMS/ Office of Sourcing and Operations |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

1. **In paragraph 192, the Board recommended that UNDP ensure that Country Offices and units which noted matters of non-compliance provide on-the-job training so that personnel has the required sustainable awareness to properly procure and manage individual contracts as required by the policy on individual contracts.**

UNDP views individual contractors an important part of its workforce and is reviewing changes to its usage along with other contract modalities as part of implementing the People for 2030 strategy by Q2, 2021.

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| *Department(s) responsible:* | BMS/ Office of Sourcing and Operations and Regional Bureaux |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

**Report of the Board for the year ended 31 December 2017:**

1. **In paragraph 41, UNDP agreed with the Board recommendation to ensure that Country Offices review and update projects’ risks, issues and monitoring logs and document information in Atlas on time as the primary source of project information.**

UNDP will continue to monitor compliance with these requirements through its annual project quality analysis process. UNDP has started to develop a collaborative digital workspace for programming. This workspace will help managers see where their programming stands across the full life cycle to better monitor performance and highlight what needs to be done so it can be addressed before becoming an audit issue.

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| *Department responsible:* | Regional Bureaux  |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

1. **In paragraph 88, UNDP agreed with the Board’s recommendation that Malawi, Paraguay and South Africa Country Offices ensure that in future, evaluations of service contracts are completed on time, ideally one month prior to expiration of contracts as per policy, to give reasonable time for the office to make relevant and timely decisions regarding service contracts.**

UNDP's new policy on service contracts will link the evaluations to the annual performance management cycle. The timely completion of the evaluations will be part of the corporate-wide performance management cycle and the policy is expected to be in place in the second quarter of 2021.

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| *Department responsible:* | Regional Bureau for Africa and Regional Bureau for Latin America and the Caribbean |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

1. **In paragraph 102, UNDP agreed with the Board’s recommendations that Country Offices (a) encourage staff to exercise their leave within the period in which leave is earned, and (b) ensure the implementation of leave plan so that the office operates efficiently at all times and ultimately reduce cases of forfeited untaken leave days.**

UNDP will continue to remind staff to take leave. However, in light of the travel restrictions imposed by a growing number of countries in an effort to contain the spread of COVID-19 virus, an exception to the current policy is approved and staff members are permitted to carry forward the annual leave balance in excess of the maximum allowed beyond 31 March 2020 under the following conditions:

* 1. all excess days must be used until 31 March 2021;
	2. should the staff member separate from service, any payment of the annual leave that may be due shall not exceed the maximum allowed under the United Nations Staff Regulations and Rules.

At the same time UNDP has introduced a mandatory performance goal for all supervisors related to effective people management, of which one indicator is: “Support to supervisees in maintaining their health and well-being (e.g. encourage supervisees to use leave, prevent situations where staff lose annual leave, encourage awareness and use of flexible working arrangements, etc.)”.

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| *Department responsible:* | Regional Bureaux  |
| *Status:* | Implemented  |
| *Target date:* | Q3, 2020 |

**Report of the Board for the year ended 31 December 2016:**

1. **In paragraph 51, the Board recommended that UNDP ensure (a) timely review and updating of the projects risks, issues and monitoring logs and document the same in Atlas as the primary source of projects information, and (b) project boards conduct regular meetings to continuously monitor projects implementation.**

UNDP has started to develop a collaborative digital workspace for programming. This workspace will help managers see where their programming stands across the full life cycle to better monitor performance and highlight what needs to be done so it can be addressed before becoming an audit issue. These measures build on previous enhancements, including the end-to-end re-write of programming policies and procedures, the introduction of new quality standards for programming, a new monitoring policy and improvements introduced through the new United Nations Sustainable Development Cooperation Framework.

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| *Departments responsible:* | Bureau for Policy and Programme Support and Regional Bureaux |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |

1. **In paragraph 107, the Board recommended that UNDP ensure that future service contract evaluations are completed on time, ideally one month prior to contracts’ expiration as per policy, so as to give reasonable time for the office to make timely decisions.**

UNDP's new policy on service contracts will link the evaluations to the annual performance management cycle. The timely completion of the evaluations will be part of the corporate-wide performance management cycle and the policy is expected to be in place in the second quarter of 2021.

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| *Departments responsible:* | BMS/ Office of Human Resources, Central Bureaux and Regional Bureaux |
| *Status:* | In progress |
| *Target date:* | Q2, 2021 |