

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



*Empowered lives.  
Resilient nations.*

**PERFORMANCE AUDIT**

**OF**

**BUREAU FOR POLICY AND PROGRAMME SUPPORT**

**Report No. 1749**

**Issue Date: 17 March 2017**

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## Table of Contents

<b>Executive Summary</b>	<b>i</b>
<b>I. About the Office</b>	<b>1</b>
<b>II. Audit results</b>	<b>3</b>
A. Are the organizational structure and governance mechanisms of BPPS established and functioning?	4
B. Is BPPS effective in achieving its mandate for policy development, advocacy and emergency response support?	8
<b>Definitions of audit terms - ratings and priorities</b>	<b>12</b>

## Report on the Performance Audit of the Bureau for Policy and Programme Support Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a performance audit of the Bureau for Policy and Programme Support (BPPS) from 24 October to 16 December 2016. Performance auditing is an independent examination of a programme, function, operation, project, or the management systems and procedures of an entity to assess whether the entity is achieving economy, efficiency and results in the employment of available resources.

The audit objective was to assess to what extent BPPS fulfils its mandate for policy development, programme support, knowledge management, and emergency response support as outlined in its Terms of Reference. The audit focused on two main audit questions:

- (i) Are the organizational structure and governance mechanisms of BPPS established and functioning?
- (ii) Is BPPS effective in achieving its mandate for policy development, advocacy and emergency response support?

The audit covered the activities of the Bureau from 1 October 2014 to 16 December 2016. This was the first audit of the Office.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

### Overall audit rating

OAI assessed the Office as **satisfactory**, which means, "The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area."

**Key recommendations:** Total = 4, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are four medium (important) priority recommendations, which means, "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address weaknesses noted, such as the financial sustainability of BPPS staffing structure, and an outdated and inefficient quality assurance process within BPPS.

The four recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Effectiveness and efficiency of operations	1,2,3,4	Medium

### Management comments and action plan

The Director of BPPS accepted all four recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

Issues with less significance (not included in this report) have been discussed directly with management and actions have been initiated to address them.



Helge S. Osttveiten  
Director  
Office of Audit and Investigations

## I. About the Office

BPPS came into existence in October 2014 because of the UNDP structural review, which shifted all the policy functions from the Bureau for Crisis Prevention and Recovery and the Bureau for Development Policy to BPPS for a more cohesive approach, greater collaboration and innovation. Policy advisory and programme support services were shifted to the Regional Hubs to better support Country Office delivery.

BPPS has corporate responsibility for:

- Developing all relevant policy and guidance to support the strategic results, outcomes and outputs with respect to UNDP's Strategic Plan.
- Providing technical advice to Country Offices, advocating UNDP corporate messages, representing UNDP at multi-stakeholder fora including public-private dialogues, government and civil society dialogue initiatives, South-South and Triangular cooperation initiatives, and engaging in United Nations inter-agency coordination in specific thematic areas.
- Working closely with UNDP's Crisis Response Unit (CRU) to support emergency and crisis response. BPPS assists UNDP and partners to achieve higher quality development results through an integrated approach that links results based management and performance monitoring with more effective and new ways of working. BPPS supports UNDP and partners to be more innovative, knowledge and data driven, including in its programme support efforts.
- Identifying, testing, sharing and institutionalizing across UNDP what works, including through effective development cooperation and higher quality UNDP programming.

To fulfil its mandate, BPPS is organized into thematic clusters:

- (i) **Directorate:** The Directorate is responsible for the overall management of the Bureau, ensuring Bureau-wide coordination with and among the clusters, planning, monitoring, and oversight of the Bureau's functions.
- (ii) **Development Impact:** The cluster aims at enhancing understanding of what works and what does not work in effecting development change at the country level in UNDP's Strategic Plan programme priority areas, and knowledge creation and dissemination, innovation and scaling up.
- (iii) **Strategic Policy:** The cluster leads UNDP's policy research agenda, policy incubation, provides forward-looking analysis, identifies emerging development trends in multiple contexts and collaborates with academia and think tanks to advance UNDP's contribution to global policy debates and the implementation of UNDP's Strategic Plan.
- (iv) **HIV and Health:** The cluster provides policy and programme support in areas that include social determinants of health, enabling legal and policy environments for HIV and health, addressing gender based violence and gender inequality, Global Fund implementation, and capacity development and UNAIDS partnership.
- (v) **Governance and Peacebuilding:** The cluster aims to bring effective and equitable delivery of services to citizens, and reinforce the rule of law and citizen security through the design of appropriate policy, legal and regulatory frameworks and through the strengthening of local governance institutions. It also assists in bridging the gap between humanitarian, peacebuilding and longer-term development efforts, helping countries in the peaceful settlement of disputes and progress towards democratic governance.

- (vi) **Climate Change and Disaster Risk Reduction:** The cluster leads the development and coordination of policy in climate change adaptation and mitigation, energy, climate risk management, disaster risk reduction and disaster recovery.
- (vii) **Sustainable Development:** The cluster focuses on integrating UNDP's economic, social and environmental work into a coherent, sustainable development policy and programming framework. It seeks to provide an integrated package of services covering all strands of sustainable development, including on integrated development planning and inclusive and sustainable growth, sustainable livelihoods and economic recovery in post-crisis situations and natural capital and the environment.
- (viii) **Gender:** The Gender Team leads UNDP's work on gender equality and the empowerment of women. Its roles and responsibilities include the development of policy guidance and the provision of technical advice to support the Strategic Plan results and ensuring that UNDP is meeting its commitments to promoting gender equality.
- (ix) **Resources and Operations:** The team's role is to provide strategic advice, guidance, and oversight for all BPPS-managed resources, both financial and human. It facilitates the smooth functioning of the Bureau across all of its locations.

BPPS has presence in New York, Geneva, and Brussels (all three considered Headquarters), the five Regional Hubs (Addis Ababa, Amman, Bangkok, Istanbul, and Panama) and the six Global Policy Centres (Istanbul International Centre for Private Sector in Development, Nairobi Global Policy Centre on Resilient Ecosystems and Desertification, Oslo Governance Centre, RIO+ World Centre for Sustainable Development, Seoul Policy Centre for Global Development, and Singapore Global Centre for Public Service Excellence).

In 2017, the budget for BPPS was \$118 million excluding \$4.2 million for Special Initiatives. The staffing table listed 438 approved positions.

## A. Audit objectives

The audit objective was to assess to what extent BPPS fulfils its mandate within material areas as outlined in its Terms of Reference. The audit focused on two main audit questions:

- (i) Are the organizational structure and governance mechanisms of BPPS established and functioning?
- (ii) Is BPPS effective in achieving its mandate for policy development, advocacy and emergency response support?

## B. Audit scope and methodology

The audit reviewed documents provided by BPPS, held interviews and made written inquiries to BPPS staff.

Question 1 was addressed through a systematic review of BPPS Terms of Reference, organization chart, job descriptions of a sample of staff, and a sample of recruitment, procurement, and travel cases. This was complemented by interviews with staff.

Question 2 was addressed through an analysis of the policy development process, a review of agreements with selected internal and external partners, a review of Country Office Service Management Operating System

(COSMOS)<sup>1</sup> data, and a review of mechanisms for collecting, testing, sharing, and institutionalizing lessons learned. This was complemented by interviews with staff from the Regional Bureaux and the CRU.

## **C. Audit criteria**

The main audit criteria for this performance audit were the BPPS Terms of Reference, the UNDP Strategic Plan 2014-2017, the Internal Control Framework and the Corporate Accountability Framework. The 'UNDP Programme and Operations Policies and Procedures' were used as specific audit criteria where relevant.

### **1. BPPS organizational structure and governance**

The UNDP Corporate Accountability Framework states that Bureau Directors should be explicit on the expectations and functional responsibilities within their leadership teams to fulfil their Bureau's accountabilities.

Per its Terms of Reference, BPPS set out specific responsibilities for the Bureau's Directorate, policy and programme support units, integration and coordination support, development impact, resources and operational management, Regional Hubs, as well as the Global Policy Centres.

According to the Operational Guide of the Internal Control Framework for UNDP, each head of office has overall responsibility for establishing and maintaining adequate internal controls in his or her office, and for ensuring documentation of the office's internal control procedures. This guide should help heads of office to understand and implement more effectively the requirements for internal control, and to devise their own internal control procedures that take into account the circumstances and characteristics of their operations.

### **2. Achievement of BPPS mandate**

Per its Terms of Reference, BPPS has corporate responsibility for developing all relevant policy and guidance to support the strategic results, outcomes and outputs with respect to the UNDP Strategic Plan.

According to the UNDP Strategic Plan, UNDP will provide thought leadership and advocacy to advance the global development agenda and to continue to be a leading voice in the development debate at all levels.

The BPPS Terms of Reference state that: BPPS supports advocacy around UNDP's development policy/programming priorities to influence public policy and resource allocation decisions; BPPS works closely with UNDP's CRU; BPPS provides technical advice to Country Offices; and BPPS advocates UNDP corporate messages internally.

Per BPPS Terms of Reference, BPPS is committed to a culture of learning and will work to identify, test, share and institutionalize across UNDP what works, including through effective development cooperation and higher quality UNDP programming.

## **II. Audit results**

OAI made four recommendations ranked medium (important) priority.

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<sup>1</sup> Cosmos is the single organization platform to record, manage, and analyse how internal advisory services are delivered across UNDP. COSMOS will integrate with the corporate planning and monitoring cycle to allow for services that are provided to be tracked more efficiently.

Low priority issues/recommendations were discussed directly and agreed with the Bureau and are not included in this report.

**Medium priority recommendations**, arranged according to significance:

- (a) Monitor the staffing structure and align it with resources made available corporately (Recommendation 1).
- (b) Use the results of the Global Products and Services Survey and any other feedback received through other sources to identify areas for follow up and actions to improve services provided (Recommendation 4).
- (c) Review and update the seven-step quality assurance procedure (Recommendation 3).
- (d) Finalize the Bureau's Terms of Reference and review and update all job descriptions (Recommendation 2).

The detailed assessment is presented below, per audit area:

**A. Are the organizational structure and governance mechanisms of BPPS established and functioning?**

Overall, the audit concluded that the organizational structure and governance mechanisms of BPPS were established and functioning. The audit noted that the BPPS thematic clusters were working towards achieving the Bureau's objectives. In terms of the governance of the Bureau, staff roles and responsibilities were overall clearly defined in staff job descriptions and aligned with staff members' understanding of their roles. There were, however, instances of out-of-date job descriptions. Furthermore, there were objectives set out in the staff members Performance Management and Development (PMD) appraisals that were not in line with the roles and responsibilities set out in their respective job descriptions and the overall responsibilities of BPPS, as per its Terms of Reference.

The operational arrangements of BPPS were generally found to be effective. BPPS had agreements with the Bureau for Management Services on the provision of operational support in the areas of individual contract procurement and travel services. The Office of Human Resources provided support on recruitment activities (for international staff and local staff recruited in Headquarters). The IT support function was expected to remain with BPPS. BPPS also had agreements with Regional Hubs and certain Country Offices (e.g., Malaysia for support to the Singapore Global Policy Centre) for operations support.

**Issue 1**      Financial sustainability of BPPS staffing structure uncertain

According to the Strategic Plan (2014-2017), "UNDP's approach to institutional change is captured through a number of elements that, together, will be reflected in an organization that visibly and measurably supports countries to achieve their development goals, with improved effectiveness demonstrated in several areas, including an organizational structure and financing arrangements which are sustainable within projected income and provide incentives to increase both the quality and quantity of programme delivery at the country level."

The approved staffing structure of BPPS at its inception in 2014 contained 520 posts. The audit noted that BPPS never had a full complement of staff during the audit period. As at 31 October 2016, only 426 of the 520 BPPS positions were filled (vacancy rate of 18 percent). The number of vacancies reflected the challenges of BPPS to obtain sufficient resources to fill the vacant positions and sustain its organizational structure.



In December 2016, a new organization chart was approved by the Executive Group that provided 438 staff posts, or a reduction of 16 percent from the initial list of 520 posts in 2014. These reductions were from Headquarters, out-posted staff at the Regional Hubs, and the Global Policy Centres, two of which had informed the audit team that they had insufficient staffing prior to the reduction.

The audit noted that the changes for the Regional Hubs had been discussed with the Regional Bureaux as part of the 2017 budgeting process. Some Regional Hubs were affected more than others by the post cuts. For example, the Regional Hubs in Amman and Addis Ababa had protracted vacancies, and cuts in the number of positions of 30 percent and 34 percent, respectively. Table 1 below provides details on changes in approved staffing positions.

Table 1. Changes in BPPS staffing between 2014 and 2017

Location	Approved positions in 2014	Approved positions in 2017	Percentage Reduction
Headquarters*	219	203	7%
Regional Hub-Amman	29	19	34%
Regional Hub-Addis Ababa	80	56	30%
Regional Hub-Bangkok	70	65	7%
Regional Hub-Istanbul	45	41	9%
Regional Hub-Panama	50	44	12%
Global Policy Centres **	27	10	63%
Total	520	438	16%

Source: BPPS, 2016

\* Includes New York, Brussels and Geneva

\*\* Six Global Policy Centres in Istanbul, Nairobi, Oslo, Rio de Janeiro, Seoul and Singapore.

The BPPS staffing structure was funded from a variety of sources, including core budget allocations, Vertical Funds and Direct Project Costs (DPC). Fully staffing the structure was therefore based on the availability of the various resources.

In 2015, the approved funding plan of BPPS included \$115.5 million of financial resources, which rose to \$118 million in 2017. The budget comes mainly from two main categories:

- Institutional budgets: These budgets cover allocations from regular ('core') resources, extrabudgetary resources as well as Vertical Fund fees to support project cycle management services for Global Fund and Vertical Funds (Global Environment Facility family of funds, Montreal Protocol Unit).
- Programmatic budgets: These budgets include regular resource allocations from global programme, regional programmatic resources (both core and non-core), policy advisory services, TRAC-III and Gender Mainstreaming Initiative. These allocations fund activities and costs for coherent global policy advice and programme support services at country, regional and global levels. The programmatic component also includes an estimated amount of recovery by means of direct project charges for project implementation support, which, in line with the new planning and budgeting process, is advanced each year based on actual recovery in the previous year, as well as any specific anticipated demands as requested by the Regional Bureaux.

The core component of both institutional and programmatic budgets is dependent on the overall availability of core resources for UNDP as a whole and the relative internal allocation among Bureaux. Core resources allocated to BPPS have fluctuated over the years. Specifically, the allocation was \$61.2 million (53 percent of the budget) in 2015, \$59 million (55 percent of the budget) in 2016, and \$50.4 million (43 percent of the budget) in 2017. The non-core component of the institutional budget is determined based on the anticipated delivery of non-core programmatic resources, and the corresponding collection of general management services fees. The recovery of direct project support charges applies to both core and non-core funded projects.

DPCs are the organizational costs incurred in the implementation of a development activity or service that can be directly traced and attributed to that development activity (projects & programmes) or service. Therefore, these costs should be included in the project budget and charged directly to the project budget for the development activity and/or service. The rate of recovery was corporately calculated by the Bureau for Management Services DPC. In 2016, the Regional Bureaux provided \$12.3 million (10 percent of the BPPS budget) of DPCs to BPPS for the estimated costs of BPPS services, on the understanding that the Regional Bureaux would recover these costs from the Country Office projects. However, most of the Regional Bureaux treated these costs as sunk costs for 2016 because the development project budgets had already been approved and agreed with the implementing partners, prior to the Executive Group decision on this policy. The amount of costs recovered and charged to Country Office development projects (\$0.3 million) was much less than the \$12.3 million advanced to BPPS.

The Regional Bureaux indicated that the DPC rates used in 2016 were too high, such that in some countries, consultants could be sourced in the local market at lower rates than the DPC rates. Thus, some Regional Bureaux had to subsidize DPC costs for some of the Country Offices in their regions. In 2016, rates were based on the full absorption of the advisory services expenses which included the full staff proforma cost plus 20 percent for general operating expenses (GOE). In 2017, the methodology changed. The main difference is the exclusion of individual staff entitlements (e.g., home leave, education grant, and assignment/appointment costs) and a reduction of the GOE rate. As a result of this new methodology, the 2017 rates are approximately 30 percent lower than 2016 rates, making the cost of internal expertise more competitive.

The reduction in DPC rates for 2017 reduces the financial sustainability risk for BPPS staffing structure. However, if the core funding continues to decline and Country Offices do not request project implementation services from BPPS (which are funded through DPC) despite the reduced rates, and instead the Country Offices request services that are not eligible for DPC-funding, this could lead to extra funding needs for BPPS and/or a need to a realignment of the BPPS structure.

<b>Priority</b>	Medium (Important)
<b>Recommendation 1:</b>	
The Bureau for Policy and Programme Support should monitor its staffing structure and align it with resources made available corporately.	
<b>Management action plan:</b>	
BPPS acknowledges the general need for financial sustainability, but notes that this is a corporate issue and the planning and budgeting mechanism that is now in place for UNDP reduces this risk for the organization as a whole. In line with the new planning and budgeting process, the funding envelope of BPPS will be considered relative to and in collaboration with other Bureaux each year, and expectedly will need to be adjusted as necessary in line with the overall resources available to UNDP. The staffing configuration of BPPS	

will continue to evolve in alignment with the changing business model of UNDP to assure delivery of policy and programme support services that effectively address the changing needs and demands at global, regional, and country levels. BPPS budget consists of various sources of funds and its sustainability does not rest solely on the amount of revenue derived from the direct project charging policy. The DPC share of the BPPS funding envelope for 2017 was based on anticipated support that would be demanded for project implementation support services to Country Offices. The demand for such services will continue to be assessed on an annual basis jointly with the Regional Bureaux, and the quantity of services provided by BPPS will be determined on that basis. The proportion of the budget which this revenue represents is not the relevant consideration. BPPS will continue to manage its results economically and efficiently within the resources that are approved each year.

**Estimated completion date:** Ongoing

**OAI Response:**

OAI acknowledges that the BPPS budget is part of the overall resource availability in UNDP for which a new planning and budgeting procedure has been implemented. OAI further notes that the planning and budgeting mechanism is intended to reduce the risk for the organization as a whole, but it may create financial sustainability issues for individual business units. The financial sustainability of the staffing structure of BPPS would thus need to be regularly monitored by BPPS to align its staffing structure with resources made available corporately.

**Issue 2**      BPPS Terms of Reference, intranet, and job descriptions not updated

The UNDP Corporate Accountability Framework underscores the importance of clear elements of stakeholder and managerial accountability. These should be discharged through a precise articulation of roles, responsibilities and authorities. There is an expectation for Bureau Directors to be explicit on the expectations and functional responsibilities of their leadership team to meet the Bureau's accountability requirements, as specified in the Corporate Accountability Framework.

The audit reviewed the draft BPPS Terms of Reference and noted that they had been in draft form since May 2014 as part of the UNDP structural review.

Each of the clusters in BPPS had space on the intranet page to articulate their roles and responsibilities, key contacts, and publications, etc. A review of the BPPS intranet site noted that some of the pages were not up to date.

Furthermore, the audit team reviewed a sample of 30 job descriptions for BPPS staff based in New York, Regional Hubs and Global Policy Centres. Of those, eight were not fully aligned to the BPPS Terms of Reference.

According to BPPS, the outdated job descriptions related to matched positions during the structural change process in 2014, and a decision was taken by BPPS at the time to only update such job descriptions when the incumbents vacated the posts and BPPS hired replacements. The existence of outdated job descriptions based on the Bureau for Development Policy, Bureau for Crisis Prevention and Recovery or Regional Bureau job descriptions may result in BPPS staff members' roles and responsibilities not being aligned with the responsibilities of BPPS and staff members not effectively contributing to the objectives of the Bureau and of UNDP.

Where job descriptions are not based on and aligned to the overall strategic objectives of BPPS, there is a risk that staff may not be able to effectively contribute to the achievement of BPPS's objectives.

<b>Priority</b>	Medium (Important)
<b>Recommendation 2:</b>	
The Bureau for Policy and Programme Support should:	
<ul style="list-style-type: none"> <li>(a) finalize its Terms of Reference and maintain up-to-date intranet pages of all thematic clusters with their roles, responsibilities, key contacts and a catalogue of services; and</li> <li>(b) review and ensure that all job descriptions are fully aligned with its Terms of Reference and communicate these to the incumbents.</li> </ul>	
<b>Management action plan:</b>	
<ul style="list-style-type: none"> <li>(a) BPPS will revise its Terms of Reference to indicate "final", and will update the intranet pages of all clusters with their roles, responsibilities, key contacts and a catalogue of services offered by BPPS.</li> <li>(b) BPPS will continue updating job descriptions as positions become vacant and need to be advertised.</li> </ul>	
<b>Estimated completion date:</b> December 2017	

## B. Is BPPS effective in achieving its mandate for policy development, advocacy and emergency response support?

Overall, the audit concluded that BPPS was effective in achieving its mandate for policy development, advocacy and emergency response support. This conclusion was supported by an OAI review of two clusters: Sustainable Development, and Governance & Peacebuilding. The two clusters represented a wide range of programmatic areas, were the two largest BPPS clusters in terms of staff numbers across Headquarters and Regional Hubs, and oversaw the work of all six Global Policy Centres. In 2016, the two clusters had a combined budget of approximately \$74 million. The following observations were made:

### i. Developing relevant policy and guidance to support the strategic results

As part of the Programme and Project Management reforms in 2016, BPPS revised its programme and project management policies and procedures, and introduced new templates for Country Programme Documents. Further revisions were planned for 2017. Its monitoring policy was also designed and rolled out in 2016. Further, BPPS developed corporate strategies which set UNDP's long-term framework on what the organization intends to achieve.

### ii. Providing technical advice to Country Offices, advocating UNDP's corporate messages and representing UNDP as required

BPPS provided technical advice to Country Offices mainly through staff out-posted in the Regional Hubs. From interviews with staff in the Regional Bureaux, the audit team noted that, in general, there was positive feedback on the quality and timeliness of policy and programme support services provided by BPPS to

Country Offices. Regional Bureaux identified additional opportunities for improving the design of global programmes by getting involved in the design process and by providing feedback from the regional perspective at an earlier stage of the programme development cycle. A 'Roadmap to Integrated Formulation of the Strategic Plan and Global and Regional Programmes, 2018-21' that set out specific actions and timelines for the greater integration of global and regional programmes, including updating relevant 'UNDP Programme and Operations Policies and Procedures' had been agreed to by the Organizational Performance Group in October 2016.

BPPS attended and made presentations at various events, formed partnerships with external entities, and shared knowledge through the UNDP website. A review of the external events attended by BPPS staff disclosed that for high-level events, there were detailed reports outlining the impact on UNDP, and that follow-up actions were identified and assigned to focal points.

iii. Working closely with the Crisis Response Unit to support emergencies and crisis response

BPPS largely works with the CRU on the deployment of surge advisors during crisis capacity development and crisis response packages. OAI interviewed staff from the CRU and BPPS and noted that BPPS had helped in the development of terms of reference for first responders and consultants needed for deployments. BPPS also worked with the CRU on the development of four crisis response packages, which aimed to provide Country Offices with tools for programming, operations, communications and advocacy in times of crisis. Although this work started in 2015, the finalization of three out of the four packages had not taken place by the time of the audit. A timeline for completion had been set for the end of 2017 for packages 2 and 4, and the last quarter of 2017 or 2018 for package 3. The delay in the finalization of these products had a major impact on Country Offices' response to crisis. The audit team did not raise an issue during the current audit, as OAI is following up on the finalization through recommendation 3 of the UNDP Fast Track Policies and Procedures audit report issued on 19 December 2014 (Report No. 1411).

The following areas for improvement were identified:

**Issue 3** Outdated and inefficient quality assurance process

Per the 'UNDP Programme and Operations Policies and Procedures', BPPS is in charge of establishing a standard quality assurance procedure to ensure that all knowledge products and publications bearing the UNDP logo meet a cost-benefit threshold, are peer-reviewed, and respond to the needs of clients. To this end, a seven-step quality assurance procedure was laid out for the development of knowledge products. This procedure was informed by the need to ensure a standard level of quality UNDP-wide. BPPS had also developed templates for corporate strategies.

The audit reviewed the quality assurance process for the development of all 12 knowledge products against the seven-step quality assurance process in place, and noted the following:

- In three cases, there was no concept note. In the remaining cases, the concept note template was not used consistently. For example, there was no budget for the development and dissemination of the knowledge products available in five cases. There was also no evidence of review of the concept note by a Knowledge Committee for Approval of Publications. BPPS explained that the Knowledge Committee for Approval of Publications was not a standing Secretariat, but an ad-hoc committee assembled for the review of each new product that the Chief of Profession deemed important enough to warrant such a review. However, this approach was not aligned with the 'UNDP Programme and Operations Policies and Procedures'.

- The Peer Review Criteria form had not been completed in any of the cases.
- There were no clear criteria to determine the required level of authority to grant the clearance. For the 12 products reviewed, 5 were cleared by the Director, 3 by the Chief of Profession, and 3 were inter-agency (of which one was cleared by the Steering Committee and of which two did not have any clearance). The remaining one was a report on a conference and there was no clearance. The clearance procedure for when UNDP works with other agencies was also not clarified in the 'UNDP Programme and Operations Policies and Procedures'.
- For all the knowledge products reviewed (published in 2015 and 2016), no evaluation had been performed. It was not clear from the quality assurance procedures at which point the evaluation should have been done.

The review of the quality assurance process for global and regional publications in the 'UNDP Programme and Operations Policies and Procedures' noted that it was developed in 2008 and had not been updated since the creation of BPPS. BPPS indicated that the seven-step quality assurance process was developed when there was additional dedicated capacity, which gradually diminished as a result of the structural change. The quality assurance process had been budgeted for review as part of the Programme and Project Management re-write exercise in 2017. BPPS planned to review the usefulness and efficiency of each of the seven steps. In addition, there was no requirement for knowledge products developed at the country and regional levels to be cleared by BPPS.

OAI also reviewed the development of five corporate strategies that were launched in 2015 and 2016. In four out of five cases, there were no summary tables of expected outcomes, key result areas, or indicators. None of the strategies included annexes on resource mobilization and four did not have a roll-out plan. BPPS indicated that the roll-out plan and resource mobilization plan could be developed after the launch and dissemination of the strategies based on an assessment of resource availability and resource mobilization potential. There was no evidence that these had been prepared after the launch of the sampled strategies.

Inconsistencies in the application of the quality assurance process and not including all required information in corporate strategies may result in BPPS not producing high-quality corporate strategies and knowledge products, which may negatively impact UNDP's programmes, projects and reputation.

<b>Priority</b>	Medium (Important)
<b>Recommendation 3:</b>	
The Bureau for Policy and Programme Support should review and update the seven-step quality assurance procedure.	
<b>Management action plan:</b>	
BPPS reiterates the fact that as per the Corporate Accountability Framework, BPPS is accountable for designing and implementing a corporate knowledge management strategy, providing platforms and tools, and conducting quality assurance for corporate products. BPPS will continue exercising all of these functions, and will support Regional Bureaux in their oversight role for the knowledge products developed by the Country Offices.	
<b>Estimated completion date:</b> December 2017	



#### Issue 4      Lack of mechanism for assessing BPPS services

Setting a series of performance indicators and collecting feedback for policy and programme support services provided to Country Offices helps BPPS gain a better understanding of both the quality of the services it provides, as well as of the level of demand from Country Offices, as far as different geographical regions, thematic areas and types of services are concerned. This allows BPPS to tailor its services to more effectively respond to the demand from Country Offices. This is even more important with the increased reliance on DPC as a source of funding for BPPS. According to the COSMOS overview, one of its benefits is that it provides functionality to capture feedback on quality, timeliness and impact of services delivered. This is meant to improve service requester satisfaction levels and internal operational efficiencies.

The audit team held interviews with all Regional Bureaux and received overall positive feedback regarding the satisfaction of Country Offices with the support provided by BPPS. BPPS had not set any clearly identifiable and measurable performance indicators in relation to the provision of support to Country Offices. Although individual Regional Bureaux used their own mechanisms for gathering feedback on the support work of BPPS (for example, the Regional Bureau for Latin America and the Caribbean conducted a Country Office satisfaction survey in early 2016), there was no comprehensive feedback gathered across regions at the time of the audit on the effectiveness of BPPS support to Regional Bureaux.

High-level feedback could be obtained via the BPPS Deputy Director's membership on the Regional Advisory Boards; however, there was a lack of an effective mechanism for gathering comprehensive feedback on a case-by-case basis. COSMOS was expected to fulfil this role over time (considering the system was only rolled out in March 2016); however, the provision of feedback was not mandatory in the system, and therefore, Country Offices were not systematically providing feedback on the quality of support. At the time of the audit, out of the 1,066 requests submitted for support, only 40 requests were closed in COSMOS. In 6 out of the 40 requests, feedback had not been received.

The Global Products and Services Survey was launched in January 2017 and BPPS explained that the Bureau would use this survey to gather feedback about its products and services.

<b>Priority</b>	Medium (Important)
<b>Recommendation 4:</b>	
The Bureau for Policy and Programme Support should use the results of the Global Products and Services Survey and any other feedback received through other sources such as COSMOS and the Regional Advisory Boards to identify areas for follow up and actions to improve services provided.	
<b>Management action plan:</b>	
As a normal function of management, BPPS does intend to use the results of the Global Products and Services Survey, as well as any other feedback provided, to identify areas for follow-up and actions to improve services provided.	
<b>Estimated completion date:</b> Ongoing	

## Definitions of audit terms - ratings and priorities

### A. AUDIT RATINGS

- **Satisfactory** The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
- **Partially Satisfactory / Some Improvement Needed** The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
- **Partially Satisfactory / Major Improvement Needed** The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
- **Unsatisfactory** The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.

### B. PRIORITIES OF AUDIT RECOMMENDATIONS

- **High (Critical)** Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP.
- **Medium (Important)** Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.
- **Low** Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.