UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations

PERFORMANCE AUDIT

OF

UNDP'S MANAGEMENT OF THE RISKS POSED BY THE COVID-19 PANDEMIC

Report No. 2437
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Report on the Performance Audit of UNDP's Management of the Risks Related to the COVID-19 Pandemic
Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a performance audit of UNDP's Management of the Risks Related to the COVID-19 Pandemic from 21 March to 8 April 2022. Performance auditing is an independent, objective and reliable examination of an entity or process to assess whether economy, efficiency, and effectiveness in the employment of available resources is being achieved. The audit period was from 1 March 2020 to 31 December 2021.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Due to the COVID-19 pandemic, the audit was conducted remotely.

The audit aimed to assess the extent to which (a) UNDP was successful in effectively supporting its programmatic and operational activities and overall continuity of operations in response to the risks posed by the COVID-19 pandemic; and (b) UNDP strategy, policies, procedures – including special measures – enabled the organization to effectively manage the risks related to the pandemic and carry out its operational and programmatic activities.

The audit addressed the following performance audit questions:

1. To what extent were UNDP governance arrangements effective in managing the risks related to the COVID-19 pandemic?

2. To what extent did UNDP procedures and special measures support the organization in carrying out its programmatic and operational activities during the pandemic?

Overall audit rating

OAI assessed UNDP's management of the risk posed by the COVID-19 pandemic as **fully 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 = **2**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There are two 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."

The two recommendations aim to ensure the following: (a) achievement of the organization's strategic objectives (Recommendation 1); and (b) the effectiveness and efficiency of operations (Recommendation 2).

Management comments and action plan

The Chief of Staff and Director, Executive Office, and the Assistant Administrator and Director, Bureau for Management Services, accepted both recommendations and are in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

Low risk issues (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 UNDP's Management of the Risks Related to the COVID-19 Pandemic

UNDP responded to the unprecedented COVID-19 pandemic through a combination of enhanced governance mechanisms and special measures to manage the risks related to the pandemic and support Country Offices with their continuing operations.As per the results of OAI's survey, UNDP Country Offices faced a number of key challenges, with personnel issues affecting the majority of Country Offices. For example, out of the 77 Country Offices that responded to the OAI survey, 64% faced challenges related to staff illness and fatalities, and 75% faced challenges related to remote working arrangements.

The Security Management Group (SMG), made up of senior management (bureau Director) increased the frequency of its meetings to weekly at the outset of the pandemic to discuss key risks and challenges and allow an exchange of information and feedback from across the organization.

At the same time, the Bureau for Management Services (BMS) provided Country Offices with tools and support to address some of the key challenges posed by COVID-19. These challenges included the inability of UNDP personnel to work from UNDP and project offices, travel restrictions, and an increase in emergency health spending by donor governments resulting in potentially fewer funds for development and increased procurement requirements. Support was provided in several ways, with key actions outlined below:

Procurement

- Increased Delegation of Procurement Authority to the Regional Bureau Directors of up to $5 million for COVID-19 related procurement.
- Sourcing permitted at the local market for urgently required supplies.
- Reduced bidding process period from two weeks to one week and expediting clearance from the review committees (Advisory Committee on Procurement [ACP] and Regional Advisory Committees on Procurement [RACP]).
- Extension of individual contracts by up to six months and Long-Term Agreements by up to twelve months without having to make submissions to review committees.

Human Resources

- Investment in occupational safety and health for the well-being of UNDP personnel.
- Scaling up of learning and professional development support with primary focus on psychological wellbeing.
- Implementation of alternate working arrangements that included teleworking and telecommuting.
- Deadlines for the mandatory Performance Management and Development discussions and goal planning were extended until 15 April 2020.
- Approved home leave balances could be carried over and used until 31 March 2021.
- Approval of higher annual leave balances (75 rather than the standard 60 days) carried over from year to year.
- Authorization to Heads of Offices to exceptionally waive the requirement for the UNDP personnel to visit doctors in person and obtain a sick leave certificate for sick leave absences of up to two weeks.
- Extension of waivers of co-insurance in the context of COVID-19.
- Reimagined workplace where UNDP was working on flexible work arrangement and global virtual delivery.

Information and Communication Technology

- Investment in systems and tools allowing personnel to work from home more effectively (e.g. Zoom subscriptions)

- Policy amendment to support the wider adoption of new technologies (e.g. confirmation of acceptance of electronic signatures and subscription to DocuSign tool)
- Wider support for usage of online tools such as Microsoft Teams to facilitate communication and work among team members.

BMS communicated all the tools, measures and support mechanisms to all staff via a weekly email by the BMS Director.

In order to understand how UNDP responded to risks during the COVID-19 pandemic, OAI performed the following analysis:
- Reviewed the tools, measures and support mechanism put in place by the organization
- Held discussions with BMS and Regional Bureau on the effectiveness of the organization's response to the pandemic
- Reviewed the corporate dashboard "UNDP at a Glance" on the uptake of the Long-Term Agreements in 2020 and 2021.
- Held meetings with UNDP's Procurement Support Unit (PSU) to discuss the special measures on procurement and the effects of these measures on the Country Offices (COs) operations.
- Reviewed the feedback received from the survey with COs on the effects of the special measures on procurement.
- Reviewed the investigation cases from OAI's Investigations Service.
- Reviewed and tested sampled COVID-19 procurement transactions.
- Reviewed the BMS After-Action Review (AAR) feedback on the operational support in procurement, HR and finance.
- Discussed with OHR the actions taken to support UNDP Personnel during the COVID-19 pandemic.
- Held discussions with the Crisis Bureau to discuss the mechanisms and allocations of the special funding mechanisms to support Country Offices
- Performed sample testing on the funding mechanisms to assess compliance with requirements.
- Reviewed policies and procedures regarding programme management during crises.

The main conclusions of the audit are presented in the Audit Results section below.

II.   Audit methodology

The audit was based on documentation review, interviews and written inquiries/surveys.

Question 1: To what extent were UNDP governance arrangements effective in managing the risks related to the COVID-19 pandemic? This question was addressed through interviews with BMS and Regional Bureaux management, and a desk review of relevant documentation, including strategy documents, policies, procedures and guidance documents, risk assessments and system data.

Question 2: To what extent did UNDP procedures and special measures support the organization in carrying out its programmatic and operational activities during the pandemic? This question was addressed through interviews with the Regional Bureau and information gathered through an online survey to Country Offices, as well as analysis of operational information such as procurement risks identified during the audit period.

III.   Audit criteria

The audit team used the following audit criteria to assess how UNDP managed its activities in response to the risks posed by the COVID-19 pandemic:

- UNDP's Operational Response to COVIID-19 – After-Action Review
- COVID-19 – UNDP's Integrated Response
- BMS Business Continuity Plan Report (June 2021)
- COVID 2.0 Rapid Financing Facility (RFF) Guidance Note (webinar 23 September 2020)
- Coronavirus Information for UNDP Personnel: https://undp.sharepoint.com/teams/coronavirus
- Update to All UNDP Personnel on COVID-19 and BMS Activities (110 iterations to date)
- UNDP Response Plan v 2.0: Beyond Recovery: Towards 2030
- A UNDP Frequently Asked Questions (FAQ) document entitled 'Managing Programmes and Projects in the Age of Covid' (April 2020)

IV.   Audit results

Conclusions on the performance audit areas are as follows:

Question 1: To what extent were UNDP governance arrangements effective in managing the risks related to the COVID-19 pandemic?

Overall, UNDP had effective governance arrangements in place to manage the risks related to the COVID-19 pandemic. The following were noted:

- As per the organization's Security Policy the UNDP Security Management Group (SMG) is "charged with providing oversight to UNDP's security mechanism during normal operations and acts as the decision making and leadership body during emergencies or crisis events at headquarters. The SMG – composed of senior management (Bureau Directors) - increased the frequency of its meetings to weekly at the beginning of the pandemic and effectively performed its role in providing oversight for the organization during the pandemic and allowing an exchange of information between senior management, not only at HQ but across Regional Bureau.

- Since January 2020, BMS issued regular updates and guidance to all UNDP personnel on COVID-19 and BMS activities. As of the end of the audit fieldwork, a total of 113 updates had been issued. Of the 77 Country Offices that responded to the audit survey (sent to all UNDP Country Offices), 56 (73 percent) indicated that the BMS updates were very useful. Topics included expedited clearances by procurement committees, extensions of long-term agreements, expedited recruitment clearances, use of electronic signatures and others.

   Table 1: Percent of UNDP Country Offices that found BMS updates useful

Were the weekly updates to all staff provided by BMS useful to your Office?

1%

26%

73%

- Yes, very useful
- Somewhat useful
- No, not useful
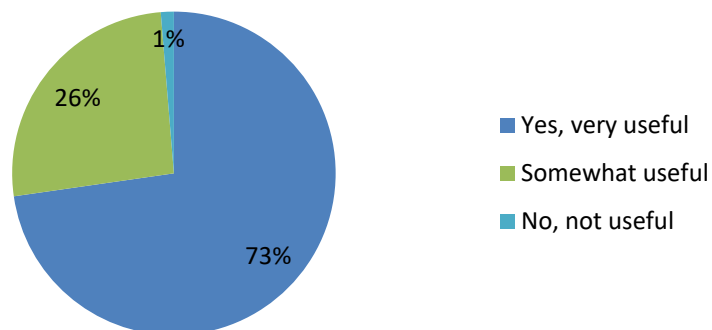
- 53 of the 77 Country Offices (69 percent) indicated that COVID-19 related strategies, policies, procedures, guidance and tools were very useful and the remaining 24 (31 percent) indicated they were somewhat useful. Specific feedback included appreciation of the use of enhanced IT tools (Zoom, Teams, DocuSign) for remote work, flexibility with extending Long-Term Agreements, flexibility in fund reallocation and overall frequency and relevance of communications.

Table 2: Percent of UNDP Country Offices that found COVID-19 related policies and guidance useful

Were COVID-19-related strategies, policies, procedures (including special procurement, recruitment, etc. measures), guidance and tools made available to Country Offices useful in enabling your Office to deliver during the pandemic?

0%

31%

69%

- Yes, very useful
- Somewhat useful
- Not useful
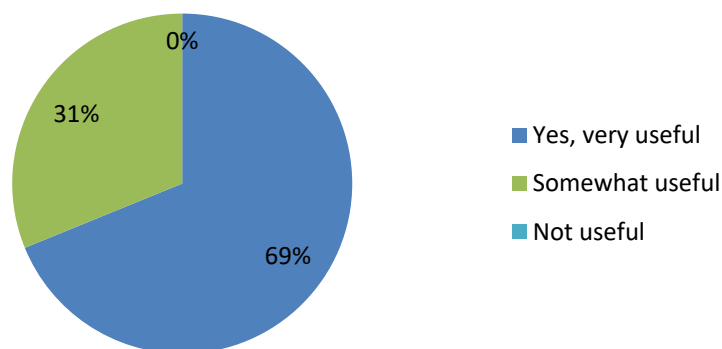
- An analysis of business continuity management (BCM) practices showed opportunities for improvement in compliance with the requirements of the BCM policy and greater consistency in its application across the organization. For example, the BCM policy requires business units to test and

update their respective business continuity plan (BCP) annually. However, our review highlighted 91 of 169 (54 percent) Country Offices and headquarters business units which were either non-compliant (BCP not tested and not updated) or semi-compliant (BCP not updated or not tested).

Table 1: Status of compliance with BCM policy

Compliance Status	CO	HQ	Grand Total
Fully Compliant	61	17	78
Non-Compliant	47	14	61
Semi-Compliant	22	8	30
Grand Total	**130**	**39**	**169**

Source: UNDP BCP library, 6 April 2022

As of 31 May 2022, the total number of non-compliant and semi-compliant with BCP policy increased from 91 to 101 (60 percent).

Additionally, the BCM policy requires that the BCP testing should include the following items, which are part of the Information and Communication Technology disaster recovery plan:
- emergency communication plans, critical data backup and retrieval;
- readiness of building/facilities and resources needed for testing;
- readiness of alternative site for operations within specific timeframe; and
- recovery of critical business functions.

The audit reviewed BCPs of a sample of 17 business units (12 Country Offices and 5 headquarters units) uploaded into the BCP library and noted 9 of 12 Country Offices had no records that the above items were included in the annual testing.

Question 2: To what extent did UNDP procedures and special measures support the organization in carrying out its programmatic and operational activities during the pandemic?

Programmatic Support

The pandemic heavily restricted the ability of staff to perform day-to-day duties related to programme and project management. As a result, UNDP programme and project staff both in headquarters and in Country Offices had to adjust their working practices.

Guidance on managing projects was provided through the existing policies and procedures as well as ad hoc publications such as an April 2020 document entitled 'Managing Programmes and Projects in the Age of COVID-19: Frequently Asked Questions (FAQs).' The document also offered guidance relating to Country Programme Documents and programme management, reporting risks related to COVID-19 and financial management of projects during the pandemic.

Overall, the existing arrangements (such as provisions for crisis in the Programme and Project Management policies) or new arrangements (such as the special measures introduced by BMS), supported the organization in carrying out its programmatic and operational activities during the pandemic.

Tailored webinars, Frequently Asked Questions (FAQ) documents and other initiatives carried out by the Bureau for Policy and Programme Support (BPPS) Effectiveness Group provided clarification on how existing policies, procedures and tools could be applied during the pandemic.

Funding

Funding was primarily made available to Country Office through two mechanisms: the Rapid Response Facility (RRF) and the Rapid Financing Facility (RFF).
The Rapid Response Facility (RRF)

The RRF was launched by the Administrator in March 2020. $30m of central resources were repurposed to support governments in their COVID-19 challenges and to prepare, respond and recover in a crisis context. Discussions with Crisis Bureau and review of relevant documentation indicated a fast-track allocation process, with approval communicated within 2-3 days of proposal submission, funds were distributed to Country Offices.

Country Offices made requests for funding under the RRF by submitting proposals according to the following eligibility criteria[1]:

i)	Strategic to allow immediate positioning of UNDP in-country responding to the COVID crisis (20%).
ii)	Catalytic to kick start programme activities that are expected to scale up UNDP programme and attract additional resources (notably government and donor cost-sharing, UN Country Team (UNCT) collaboration) (30%).
iii)	Responsive to a verifiable request of support from Government (10%).
iv)	Realistic to allow effective implementation within six months period (15%).
v)	Relevant to advance UNDP programme and policy support in response to the crisis (25%).
vi)	The UNDP proposal is discussed and agreed with the RC in the context of the UNCT plans in each country

The proposals were submitted online in the Global Policy Network (GPN) Service Tracker – STARS by the respective desk officer and/or RRF focal point in the Regional Hub and by the Regional Crisis Management Support Team (RCMST). The RCMST reviewed the proposal and ensured compliance with the eligibility criteria. After the proposal was cleared by the head of the RCMST, it was forwarded to the Regional Bureau director, who sent the request to the Director of the Crisis Bureau and the chair of the Advisory Committee (AC) of the UNDP COVID-19 Rapid Response Facility. A recommendation of the proposal was given by the AC to the Administrator who made the final decision on the proposal and the RRF allocation.

The Crisis Bureau Director then signed an allocation letter and the BMS Director made the fund code and the allocation available. The allocation letter included the official approval of the proposal the amount released, the respective fund code and the timeline - a duration of six months. Monitoring was done by way of the COVID-19 dashboard.

In total, 110 Country Offices, including three multi-Country Offices (MCOs), benefitted from the RRF. Allocations ranged between $46,510 (Ghana) and $856,000 (Iraq), averaging $270,270 per country. Utilization was reported at $29.6million (a 99% utilization rate), with expenditures totaling $28,230,326 (a 95% delivery rate). The resources expired 31 December 2020, and final financial and programmatic information were reported to the Executive Group 19 February 2021.[2]

According to the report, the majority of the success reported by the Country Offices for their RRF -funded projects are:

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[1] "Business Process for the UNDP COVID-19 Rapid Response Facility" Rev 30 March 2020 Response

[2] Document entitled Final Report of THE RAPID RESPONSE FACILITY (RRF) to the EG dated 21 February 2021

i) The socio-economic impact assessments, and the engagement with other UN agencies to carry out these exercises

ii) UNDP's support to the national health sector, capacity building and system development

Other areas of reported success and impact were in the areas of medical procurement, business continuity, private sector, social protection, violence against women and human rights.

The report also cited the RRF as an effective corporate funding tool to respond to the initial phase of the Covid-19 pandemic as follows:

i) The RRF funding enabled UNDP COs to quickly position themselves in the eyes of partner governments, affected populations and national and international partners. The report cited Libya, Kosovo, Sri Lanka, the Maldives, Mongolia, Turkmenistan and Bahrain as notable examples of Country Offices that were able to have swift collaborations with partners at a time when few additional resources were locally available.

ii) Citing Botswana, Dominican Republic, Central African Republic, Sri Lanka and Senegal as examples, the RRF funding allowed UNDP COs to play an integrator role in responding to the pandemic jointly with other UN agencies and partners.

iii) The RRF helped position UNDP as the technical lead agency within the UNCT to conduct socio-economic impact assessments and recovery planning. This was notably evidenced in Central African Republic, Ecuador, Guinea-Bissau Lesotho, Moldovia, Montenegro, Mongolia, Mauritania. Seychelles, Thailand and Vietnam.

iv) The RRF allocations enabled UNDP to catalyze additional resources through repurposing and resource mobilization in line with the evolving Covid-19 offer 2.0. Notable Country Office examples were Haiti, Timor-Leste, Uruguay, Botswana, Republic of Congo, Equatorial Guinea, Iraq, Kosovo, Libya and Peru.

<u>Summary of allocation and delivery by region</u>

Bureau	Total funds approved	ASL Established to date	Utilization	Percentage Delivery
RBA	8,493,485	8,493,485	8,372,680	99%
RBAP	5,973,734	5,973,734	5,880,851	98%
RBAS	5,440,941	5,440,941	5,306,927	98%
RBEC	4,170,670	4,170,670	4,137,003	99%
RBLAC	5,921,170	5,921,170	5,888,836	99%
Grand Total	**30,000,000**	**30,000,000**	**29,586,297**	**99%**

Source: Covid 19 dashboard

OAI sampled allocations made to 12 country offices (10% of the total country offices that benefited, valuing $3m) and corresponding expenditures, and verified that:

i) The proposals were submitted to the RCMST before allocations were made

ii) Proposals were in line with the eligibility criteria

iii)   Proposals were reviewed and graded according to the criteria outlined above

iv)   Allocation letters were signed by the Director of the Crisis Bureau according to the amounts requested.

v)   Based on the matching of expenditures to the appropriate fund, expenditures were in accordance with the activities outlined in the approved proposals.

The Rapid Financing Facility (RFF)

The RFF aimed to catalyze UNDP's "COVID 2.0" Beyond Recovery: Towards 2030 offer, through high-quality, high-impact country initiatives. These funds were intended to complement funds already provided from the Rapid Response Facility (RRF), the Japanese Supplementary Budget allocation.

As with the RRF, Country Offices were required to develop proposals using the online template provided. The proposals submissions were tracked through the STARS COVID-19 request page and were reviewed by the Global Policy Network (GPN) and Regional Bureau simultaneously. GPN was tasked with ensuring consistency and quality across the proposals, while the Regional Bureau provided regional quality assurance and oversight. The proposals were endorsed by the GPN and reviewed and approved by an investment group[3] chaired by the Special Advisor to the Administrator. The investment group reviewed the recommendations from the technical review, approved the proposal and determined how much funding to allocate. The decision of the investment group was submitted to the Administrator for endorsement.

Proposals were accepted until the end of October 2020. Implementation duration was 18 months from the date of the approval. Monitoring of RFF funded projects was conducted using the COVID-19 monitoring dashboard. Reporting was streamlined into the COVID-19 reporting exercise using the mini- ROAR and COVID-19 indicators.

A total of 129 proposals, totaling approximately $104m were submitted to the investment group, including four Multi-Country Office proposals. According to the COVID-19 dashboard, utilization at May 2022 was approximately $72.6m, with a delivery rate of 69.46%.

The audit reviewed allocations made to 10 Country Offices under the RFF, as well as to the Global (BPPS-managerd) project and noted that:
i)   Based on the information outlined in the proposals and the criteria required for submitting a proposal, proposals were completed in line with criteria
ii)   Proposals were sent to the Investment Group or review and endorsement
iii)   Proposals were endorsed by the Investment Group
iv)   Allocation letters were signed by the Associate Administrator.
v)   Implementation was tracked in the COVID-19 dashboard
vi)   Based on a comparison of the activities outlined in the proposal to the Combined Delivery Report and fund 0400 in the Project Transaction Detail Report (PTDR), expenditures to date were in line with proposal.

Procurement

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[3] The Investment group was made up of the Associate Administrator, the ASGs of the GPN and BMS, and the respective Regional Bureau ASG, with support from the Programmatic Review Coordination Group (PRCG) Secretariat team.

UNDP's Procurement Support Unit (PSU) developed and shared guidance with the Country Offices for each of the above-mentioned COVID-19 special procurement measures. PSU updated this guidance on a weekly basis. These changes were shared with UNDP Country Offices through the weekly BMS email. PSU also provided support to Country Offices through Yammer[4] where PSU shared information on procurement and solutions to challenges experienced by Country Offices.

The audit reviewed the results of the feedback that PSU collected from Country Offices through their respective Regional Bureaux and concluded that overall the feedback was positive. Country Offices reported that they had found the measures useful and beneficial. Additionally, PSU followed up on risks identified by the Country Offices and required the Procurement Oversight Committees to review all procurements to provide assurance over potential risks identified.

The audit reviewed the UNDP COVID-19 Procurement Dashboard[5] that was used to monitor COVID-19 related procurement activities across UNDP Offices and selected a sample of ten procurement transactions totaling $26.3 million out of total expenditures of $194.2 million (representing 14 percent of the total expenditures) for additional audit testing. The audit concluded that:
- The procurement activities were completed in line with UNDP policies and procedures.
- The Procurement Oversight Committees performed reviews of COVID-19 procurement activities cases that were submitted for review and action.
- The procurement activities were related to COVID-19 pandemic interventions.
- The procurement activities were in line with the special measures issued by the Chief Procurement Officer.
- Country Offices included procurement risks and the actions to mitigate them in their submissions to the Procurement Oversight Committees.
- The justifications provided for direct contracting were in line with UNDP policies and procedures.

The above review did not result in any reportable observations.

OAI made two recommendations ranked medium (important) priority.

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

Medium priority recommendations, arranged according to significance:

a) The Executive Office should coordinate an organization-wide after-action review to share lessons learned (Recommendation 1).
b) The Bureau for Management Services should follow up on recommendations of the after-action review and update the dashboard on the latest status (Recommendation 2).

The detailed assessment is presented below:

1. To what extent were UNDP governance arrangements effective in managing the risks related to the COVID-19 pandemic?

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[4] Yammer is a Microsoft based enterprise social networking service that connects leaders, communicators and employees to build communities, share knowledge and engage everyone.

[5] The UNDP COVID-19 Procurement Dashboard provides oversight on all UNDP procurement activities conducted by Procurement Units globally including the processes that are managed by the Corporate COVID-19 Procurement Response team, regional and local procurement teams.

Our review indicated that UNDP had established adequate and effective governance arrangements in place to manage overall risks resulting from COVID-19 pandemic.

The following was noted during our review.

Issue 1   An organization-wide after-action review would add value to UNDP

After-action reviews are often used to gather lessons learned after crises and improve a bureaux or organization's response mechanisms. Such reviews help to perform a self-assessment of the organization's performance and identify what worked well and what can be fine-tuned to strengthen the organization's policies, procedures and systems to deal with future crises in a more flexible and agile manner. With the COVID-19 pandemic being such an unprecedented crisis with far-reaching impact on the work of UNDP, any review that helps to strengthen the organization can add value and future-proof the organization.

In 2021, UNDP's Independent Evaluation Office (IEO) completed a reflection paper that examined the findings of over 100 evaluations performed by Country Offices that were conducted in 2020 and the first half of 2021. This review explored some of the challenges faced by UNDP's projects and programmes during the pandemic and shared some early lessons from UNDP's COVID-19 adaptation and response during 202`0 and through to May 2021. There was also a report issued by the Independent Evaluation Office entitled "Financing the Recovery: A Formative Evaluation of UNDP's Response to the COVID-19 Pandemic and SDG Financing" that provided insights into the work of UNDP in supporting programme countries and SDG financing during the pandemic.

BMS also conducted an after-action review (issued in February 2021) assessing the effectiveness of the operational measures introduced during the early stages of the COVID-19 pandemic. This led to a series of 12 recommendations that were in the process of being implemented (see Issue 2 below).

Other than the Independent Evaluation Office reflection paper mentioned above and the BMS after-action review, there has not been an organization-wide after-action review to identify lessons learned across all areas, including overall corporate governance during the pandemic, strategic prioritization of efforts, organization-wide risk management, programme and policy support, crisis response and other areas not covered by the BMS review. Failure to establish and conduct an organization-wide-after-action review would prevent UNDP to be prepared to face similar large-scale crisis in the future.

Priority	Medium (Important)
Recommendation 1: The Executive Office should coordinate an organization-wide after-action review to share lessons learned to help ensure a more agile and resilient organization in the event of similar future crises.	
Management action plan: The Executive Office will coordinate an organization-wide after-action review to bring together institutional effectiveness and other insights on how UNDP helped countries to prepare, respond and recover in the face of COVID-19. The objective is to learn from related financing, corporate governance, crisis response, risk management, and programme and policy prioritization and support approaches, and to codify/update systems and processes as appropriate. The review will draw insight from existing sources, including audit and evaluation. **Estimated completion date:** April 2023	

> 2. **2. To what extent did UNDP procedures and special measures support the organization in carrying out its programmatic and operational activities during the pandemic?**

As elaborated under the previous section, various existing and new arrangements supported UNDP in carrying out its programmatic and operational activities during the pandemic. Various initiatives rolled out provided clarifications on how existing policies, procedures and tools could be applied and enable tracking of responses during this period.

The following was noted during our review.

Issue 2   After-action review recommendations not fully implemented and timely updated

The Business Continuity Plan Activation Chart in the UNDP's Business Continuity Plan template requires an after-action review to be carried out once the Business Continuity Plan has been deactivated. Following up on any recommendations on a timely basis helps to ensure that issues identified including those relating to business continuity are addressed and rectified.

Bureau of Management Services (BMS) conducted an after-action review of UNDP's operational response to the COVID-19 pandemic, which was issued on 15 February 2021. The after-action review was focused on UNDP's operational response to the COVID-19 pandemic.

The purpose of the BMS After-Action Review (AAR) exercise was to:

- Facilitate real-time, organizational learning by surfacing concrete issues that provoke corrective actions, further investment, and continuing exploration, at all levels of UNDP;
- Assist colleagues to personally and professionally make sense of events in UNDP by processing experiences and reflections in a structured manner; and
- Incorporate organizational performance improvement within BMS's value proposition within UNDP and within the UN System.

The after-action review yielded 12 recommendations which were to be implemented based on three ratings:
- Minimal complexity (Implementation period of 1 – 6 months).
- Medium complexity (implementation period of 6 – 12 months).
- Major complexity (Implementation period of 12 – 24 months).

Six recommendations were rated minimal complexity, four were rated medium complexity, and the remaining two were rated as major complexity.

The audit team noted that the status of implementation of the AAR recommendations had not been updated since 21 April 2021. After the end of the audit fieldwork, the audit team was provided with two updates made during April 2022. Subsequently, BMS updated the after-action review dashboard to indicate that 10 recommendations were in progress (distributed as follows: three in human resources, two in operations, two in finance and another two in procurement), and that the remaining three recommendations, related to information technology (two recommendations) and finance (one recommendation), were implemented.

Long-outstanding after-action review recommendations may impede UNDP's ability to respond to current or future crises effectively.

Priority	Medium (Important)
Recommendation 2: The Bureau for Management Services should follow up on the recommendations of the after-action review and update the dashboard with the latest status.	
Management action plan: The Bureau for Management Services will continue to follow up on the recommendations of the after-action review and update the dashboard with the latest status. **Estimated completion date:** May 2023	

Definitions of audit terms - ratings and priorities

A.   AUDIT RATINGS

▪ **Fully 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.

▪ **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.