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Office of Audit and Investigations

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AUDIT

OF

UNDP's FAST TRACK POLICIES AND PROCEDURES

Report No. 1411

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Report on the audit of UNDP's Fast Track Policies and Procedures
Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of the management of UNDP's Fast Track Policies and Procedures (FTPs) from 22 September to 10 October 2014. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to FTPs. Specifically, the audit:

(a) assessed whether adequate controls existed to ensure that risks associated with FTPs had been identified, assessed and mitigated;

(b) reviewed whether FTPs had achieved their intended objectives of "improving speed and timeliness of UNDP's response to crisis and other special situations";

(c) assessed whether the governance mechanisms around the activation of FTPs were functioning and providing the right feedback and oversight – this included a review of the adequacy of corporate controls and corporate oversight over FTPs; and

(d) reviewed FTPs as part of UNDP's overall approach to crisis response.

The audit covered the management of FTPs from their initial approval in January 2010 until September 2014. During this time, FTPs were activated more than 70 times by 47 Country Offices in UNDP. OAI estimated that the programme delivery of projects or Country Offices under FTPs amounted to about $2 billion, equivalent to about 10 percent of UNDP's overall delivery during this period. This was the first audit of the FTPs.

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

Overall audit rating

OAI assessed the management of FTPs as **satisfactory**, which means, "Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity."

Key recommendations: Total = **3**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There were three medium (important) priority recommendations, which means "Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP." These recommendations include actions to address the insufficient governance and operational arrangements for FTPs and the lack of guidance for operationalizing signature products.

Management comments and action plan

The Directors of the Bureau of Management and the Crisis Response Unit accepted all of the recommendations and are in the process of implementing them. Comments and/or additional information provided had 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.

Digitally signed
by Helge S.
Osttveiten

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