



AUDIT

OF

MANAGEMENT OF OUTSOURCED ICT SERVICES

IN

UNDP

Report No. 2029
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Report on the Audit of Management of Outsourced Information and Communication Technology Services Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP's management of outsourced information and communication technology (ICT) services from 5 November to 11 December 2018. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the following areas and sub-areas:

- (a) achievement of business and ICT requirements
- (b) vendor selection
- (c) contract management
- (d) vendor management

The audit covered the activities regarding the management of outsourced ICT services from 1 January 2017 to 31 October 2018. This was the first audit of the management of outsourced ICT services.

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 = 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." These recommendations include actions to address: the lack of a formalized and documented risk assessment process of outsourcing of ICT services and weaknesses in the evaluation of the performance of service providers.

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

Management comments and action plan

The Officer-in-Charge of the Office of Information Management and Technology accepted both recommendations and is 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.

A handwritten signature in blue ink, appearing to read 'H. Osttveiten', is enclosed within a black rectangular box.

Helge S. Osttveiten
Director
Office of Audit and Investigations