PERFORMANCE AUDIT

OF

PROGRAMME SUPPORT AND POLICY ADVICE

PROVIDED TO COUNTRY OFFICES

BY

UNDP REGIONAL HUBS

Report No. 2167

Issue Date: 13 March 2020
Report on the Performance Audit of Programme Support and Policy Advice
Provided to Country Offices by UNDP Regional Hubs

EXECUTIVE SUMMARY

The UNDP Office of Audit and Investigations (OAI), from 21 October to 19 December 2019, conducted a performance audit of Programme Support and Policy Advice provided to Country Offices by UNDP Regional Hubs. Performance auditing is an independent examination of an entity to assess whether the entity is achieving economy, efficiency, and effectiveness in the employment of available resources.

The audit aimed to determine whether the Regional Hubs were effective in providing programme support and policy advice to Country Offices. The following questions guided the audit in responding to the main audit objective:

1. Was the governance of the Regional Hubs conducive to providing effective programme support and policy advice to Country Offices?
2. Were services (programme support and policy advice) provided by the Regional Hubs relevant, timely, and of high quality?

The audit covered the activities of the Regional Hubs from 1 January 2018 to 30 November 2019.

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

Overall audit rating

OAI is issuing a partially satisfactory/some improvement needed rating, which means, “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.”

Overall, the Regional Hubs were effective in providing programme support and policy advice to Country Offices. Specifically, the audit team assessed that governance of the Regional Hubs was conducive to providing effective programme support and policy advice to Country Offices. However, the audit team identified weaknesses pertaining to financial and human resources, the absence of a comprehensive corporate system to manage support to Country Offices, an insufficient global approach to support Country Offices, and job descriptions that were not updated.

Key recommendations: Total = 6, high priority = 3

High priority recommendations:
(a) Conduct a corporate review to ensure that the Global Policy Network has adequate financial resources as part of the resource allocation process to carry out its mandate for 2020–2021 (Recommendation 1).
(b) Finalize all recruitment processes (Recommendation 2).
(c) Properly map staff skills and expertise and maintain an up-to-date comprehensive record of staff capacity across the organization (Recommendation 5).
Medium priority recommendations
(a) Complete and launch the new Country Office support system across the organization (Recommendation 3).
(b) Develop and implement a plan for an integrated Regional Hub structure (Recommendation 4).
(c) Update the staff job descriptions of the Policy Advisors/Specialists to reflect the new roles and responsibilities, and well as the reporting lines and accountability (Recommendation 6).

The six recommendations aim to ensure achievement of the organization’s strategic objectives.

For high (critical) priority recommendations, 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. The high (critical) priority recommendations are presented below:

Financial sustainability and large number of vacancies (Issue 1)

The Bureau for Policy and Programme Support and the Crisis Bureau had financial sustainability issues due to high dependence on institutional budget and development effectiveness funding sources. Any changes in revenues or budget allocations could negatively affect the operations of the Bureau for Policy and Programme Support and/or the Crisis Bureau considering that a significant portion of their budget allocations was covering staff costs.

To generate enough revenue, the Bureau for Policy and Programme Support and the Crisis Bureau were expected to mobilize resources from various sources, including General Management Support fees from donor cost sharing, Vertical Funds and Funding Windows. However, the audit team noted that the required actions to operationalize the resource mobilization actions had not been finalized at the time of the audit, which may negatively impact the Bureau for Policy and Programme Support and the Crisis Bureau’s financial sustainability.

In addition, Regional Bureaux, the Bureau for Policy and Programme Support, and the Crisis Bureau had vacancies (at professional level), including key posts. For example, there were (i) 10 vacant posts for the Regional Bureau for Arab States, including the Regional Programme Coordinator and Chief of Country Office Support posts; (ii) 10 vacant posts for the Regional Bureau for Latin America and the Caribbean, including the Strategic Specialist and Programme Specialist posts; (iii) 210 vacancies for the Bureau for Policy and Programme Support, including Programme Advisor, Policy Advisor, Regional Technical Advisor posts and (iv) and 36 vacancies for the Crisis Bureau, including the Regional Cluster Leader and Programme Advisor posts.

Recommendation 1: The UNDP Executive Office should conduct a corporate review to ensure that the Global Policy Network has adequate financial resources as part of the resource allocation process to carry out its mandate for 2020–2021.

Recommendation 2: The Bureau for Policy and Programme Support, the Crisis Bureau, and the Regional Bureaux, should finalize all recruitment processes in the context of the Global Policy Network’s HR alignment.
Weaknesses in the global approach to support Country Offices (Issue 3)

A digital solution had been deployed leveraging on internal tools and initial capacity framework, to map capacities across the organization. The database contained around 900 staff and was constantly being populated, with about 288 skills that spanned all areas of work of UNDP. The audit team noted the following weaknesses in the process:

- There was no discussion about core skills needed to achieve UNDP’s mandate.
- There was no prior discussion about each team member’s skills and knowledge.
- There was a limited list of key expertise/competencies. Staff could add their skills as free text if they did not find them in the list.
- There was no categorization of the levels of knowledge (Novice, Advanced Beginner, Competent, Proficient, Expert). Also, there was no indication whether the staff had prior experience/results and what impact this had.
- There was no indication whether the staff would be available for deployment.

**Recommendation 5:** The Office of Human Resources, in coordination with the Bureau for Policy and Programme Support and the Crisis Bureau, should properly map staff skills and expertise and maintain an up-to-date comprehensive record of staff capacity across the organization.

**Management comments and action plan**

The Executive Office, and the Directors of the Bureau for Programme and Policy Support, Crisis Bureau, the Regional Bureau for Africa, the Regional Bureau for Asia and the Pacific, the Regional Bureau for Latin America and the Caribbean, the Regional Bureau for Europe and the Commonwealth of Independent States, and the Regional Bureau for Arab States accepted all six 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.

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