

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



**AUDIT**

**OF**

**UNDP OFFICE OF LEGAL SERVICES**

**Report No. 2721**  
**Issue Date: 19 November 2024**

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## Report on the Audit of UNDP Office of Legal Services Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of the Office of Legal Services within the Bureau for Management Services (BMS/OLS) from 10 June to 11 July 2024.

The audit aimed to assess the adequacy and effectiveness of BMS/OLS governance, risk management and control processes. To achieve this objective, it addressed the following audit questions:

- 1. Is BMS/OLS adequately established to implement its mandate?**
- 2. Does BMS/OLS timely manage its legal processes?**

The audit covered the activities of the Office from 1 January to 31 December 2023. The last audit of the Office was conducted by OAI in 2014.

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

### Overall audit rating

OAI issued an audit rating for BMS/OLS of **satisfactory/some improvement needed**, 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.” This rating was mainly due to inconsistencies in the cost recovery of services rendered to other UN entities, lack of an action plan relating to the 2023 engagement survey, and lack of a formalized approach for estimating costs when engaging external counsel.

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

The audit did not result in any high (critical) priority recommendations. There are three 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 three recommendations aim to ensure the following: (a) achievement of the organization’s strategic objectives (Recommendation 2); (b) safeguarding of assets (Recommendation 1); and (c) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 3).


### Management comments and action plan

The General Counsel and Director a.i. of the Office of Legal Services accepted the three recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.



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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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