Accountability System Policy

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Foundations of UNDP Accountability

1.   The accountability of UNDP is established by General Assembly resolution 26/88 and affirmed by resolution 59/250. The UNDP Accountability System comprises (a) an accountability framework and (b) an oversight policy, as articulated in DP/2008/16/Rev.1 and approved by UNDP's Executive Board. It describes what the organization is held accountable for and how accountability is ensured, including through organizational structures, processes, risk management and oversight mechanisms.

2.   UNDP was established in 1965 by the General Assembly of the United Nations, through GA Resolution 2029 (Consolidation of the Special Fund and the Expanded Programme of Technical Assistance in a United Nations Development Programme). The implementation of the mandate and operations of UNDP was further elaborated through GA Resolution 2688 (Capacity of the United

Nations development system) (1970). UNDP's Legal Framework, including its Accountability Framework, comes from various sources in addition to the GA resolutions. UNDP issues letters of appointment to its staff members to which the United Nations Staff Regulations and Rules apply. UNDP's financial management and administration of activities are conducted further to its Financial Regulations and Rules, approved by the Executive Board. In addition, UNDP's operations and the conduct of its personnel are also further to the UN Charter, the International Civil Service Commission Standards of Conduct for the international civil service, and the Convention on the Privileges and Immunities of the United Nations, as well as other directives, policies and procedures issued by the Organization.

3.   UNDP is accountable to its Executive Board to demonstrate that all work done by the organization has been conducted in accordance with agreed regulations, rules, policies and procedures and operating standards, and to report fairly and accurately on performance results vis-à-vis mandated roles and plans. Working with United Nations organizations and other implementing partners, UNDP is accountable for results and resources delivered against specific programmes and projects to programme countries, as well as to its funding partners.

4.   UNDP engages partners, including national and local governments, non-governmental organizations, the private sector, public entities, International Financial Institutions (IFIs), and UN agencies in a variety of ways including in the programmatic delivery for project beneficiaries and the public overall, strategic partnerships and funding partnerships. Accountabilities for partnerships are described and agreed in relevant partner framework agreements, programming agreements, and cost sharing agreements, among others.

5.   UNDP is accountable at all levels to deliver development results with partners through its programming. At the global level, this is defined by the Strategic Plan. At the regional and country levels, this is defined by regional programme documents (RPD) and country programme documents (CPD), which are approved by the Executive Board. For countries that have a United Nations Sustainable Development Cooperation Framework (UNSDCF), the UNDP CPD describes how UNDP will contribute to the overall efforts of the United Nations in that country to deliver development results. These development programmes are implemented through UNDP's projects, portfolios and other delivery instruments. UNDP utilizes various implementation modalities to deliver development results. Mutual accountabilities for programming are articulated and agreed in the respective programming documents. UNDP is accountable for the activities funded from resources flowing through its systems to contribute to shared results. The UNDP Financial Regulations & Rules establish UNDP's accountabilities with respect to UNDP resources and UNDP-administered resources.

6.   The integrated resources plan and the integrated budget constitutes an integral complement to the UNDP strategic plan. The integrated resources plan covers the totality of resources at the disposal of UNDP, including regular and other resources, and the totality of activities to be carried out: as such, it constitutes a comprehensive and integrated financial framework. The Executive Board takes note of the integrated resources plan, as it includes expenditures from other resources incurred based on funding agreements signed with donors. The integrated budget, which captures the regular resources related portion of the integrated resources plan, is fully regulated by Executive Board mandates.

7.   The decentralized operations of UNDP enable its country offices to work with programme governments and other partners to find, lead and own integrated solutions to development challenges. This also includes the building and development of relevant national capacity. UNDP's commitment is therefore operationalized at the country level through its development activities, programme, portfolio and project boards and country office management systems; and at the corporate level,

through its corporate management system and its accountability to the Executive Board[1]. The lines of accountability are visualized in Annex 2, figure 1.

8.   UNDP is accountable to ensure institutional effectiveness and efficiency, while upholding its values and organizational integrity, by:
   a.   Ensuring development results are delivered with quality and sustainability;
   b.   Ensuring efficient use of resources by delivering according to UNDP's Financial Regulations and Rules (FRRs), Executive Board decisions, and policies and procedures, including preventing fraud and any diversion of resources for unauthorized purposes, such as through money laundering or terrorism financing;
   c.   Preventing Sexual Exploitation and Abuse and Sexual Harassment (PSEAH);
   d.   Ensuring zero tolerance for any form of discrimination, harassment, or abuse of authority;
   e.   Ensuring safeguards for people and the environment;
   f.   Ensuring protection against retaliation for reporting misconduct or cooperating with a duly authorized audit or investigation;
   g.   Ensuring the wellbeing of staff and other personnel;
   h.   Making all necessary efforts to reduce security risks for personnel;
   i.   Promoting transparency while protecting individuals' data privacy.

Components of the UNDP Accountability System

9.   The UNDP accountability system is based on a set of core guiding principles of accountability and relies on the strategic integration of multiple accountability activities that together form the basis for a structured, comprehensive review of programmes throughout UNDP. The components of the accountability system includes policies, functions and practices for a) programme planning & budgeting; b) accountability delivery controls; c) results & performance monitoring; d) ethical standards; and d) independent oversight. The components of the accountability system are visualized in Annex 2, figure 2.

10.   The Accountability System includes three integrated facets: organizational, programmatic and staff accountability. The accountability system serves as the primary source for performance standards, metrics, and reporting requirements to ensure that programmes are aligned with the updated strategic plan in support of internationally agreed development goals while fully responding to national development priorities. It serves to ensure that areas of further organizational learning and improvement are identified and acted upon following planned, periodic management review of the elements of the accountability framework. The operationalization of the UNDP oversight policy ensures adherence to legislative and regulatory frameworks and assures the integrity of the elements of the accountability framework through vigorous monitoring and reporting. This is achieved through various reviews and assessments, and reflected in reports provided to the Executive Board (section E).

11.   The UNDP accountability system comprises (a) an accountability framework, and (b) an oversight policy.

12.   The accountability framework describes organization-wide processes for effective delivery, monitoring, analysing, and improving performance in all aspects of the organization. This includes effective leadership, communication, regulatory framework, policies, processes and procedures, oversight and risk-informed decision making in support of the UNDP strategic plan. The oversight policy is an integral part of the UNDP accountability system, as it serves to provide managerial and independent assurance to the Administrator, the Executive Board, and other stakeholders.

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[1] The Executive Board of UNDP, UNFPA and UNOPS is comprisesed of both programme countries and donor countries. The geographic breakdown of membership was legislated by General Assembly resolution 48/162: eight from African States, seven from Asia Pacific States, four from Eastern European States; five from Latin American and the Caribbean States; and 12 from Western European and other States.

13. The accountability system covers all UNDP activities in all locations and includes robust and independent audits and evaluations. The results of these accountability activities document the extent to which goals are being met and how they will be used to ensure continuous improvement throughout UNDP.

I. The UNDP Accountability Framework

14. The UNDP accountability framework is based on 9 core guiding principles, 12 elements of accountability, robust monitoring mechanisms, and the relevant descriptions of accountability.

A. Guiding principles of accountability in UNDP

15. The UNDP accountability framework is guided by **nine core guiding principles** of accountability, which form its foundation and provide the basis for implementing accountability policies, processes, and instruments.
    (a) *Mutual accountability and clarity of organizational responsibility*. UNDP, as well as implementing partners, funding partners, and programme country governments have distinct responsibilities for delivering on their respective obligations as articulated in relevant programming documents.
    (b) *Alignment with corporate goals and accountability*. Managers are accountable for achieving corporate goals across units, irrespective of their functional positions.
    (c) *Formal and consistent internal control, delegation of authority and organizational policies and procedures*. Authorities, responsibilities and accountabilities are clearly defined, formally delegated and consistent. This includes ensuring segregation of duties in the Internal Control Framework so that key duties and responsibilities in authorizing, processing, recording, and reviewing official transactions are segregated among staff. Informed by the UNDP Financial Regulations & Rules, Executive Board decisions and the UN Staff Regulations & Rules, UNDP's Programme & Operations Policies & Procedures articulate the requirements that all personnel must follow. This principle also calls for responsibility for self-informing, meaning that managers and staff should personally take reasonable action to inform themselves of relevant policies and standards for decision-making and cannot claim ignorance of established policies or procedures.
    (d) *Risk and cost-benefit considerations in decision-making*. In arriving at decisions, the risks, costs and benefits of the available options should be duly considered, keeping in mind the risk appetite of the organization. Risks should be identified and managed responsibly. By taking into consideration the proportionality between the cost of a process, including the cost of managing risk and the value of the intended result, limited administrative resources can be directed towards the issues of highest priority and potential value.
    (e) *Reliable and verifiable performance monitoring and reporting*. Implementing partners and responsible parties must disclose their performance through adequate, regular reporting on results, risks and issues, with timely accounts and reliable financial and substantive reports. Documentation must be clear and readily verifiable. Data-driven performance monitoring is conducted at all levels of the organization.
    (f) *Highest standards of personal integrity (self-attestation and ethical conduct)*. The exercise of authority by managers relies on the principle of self-attestation. For example, the manager submitting the results of a procurement process for approval is, by doing so, attesting that funds are available and that the procurement is relevant to project objectives. Individuals declare potential conflicts of interest according to ethical standards.
    (g) *Core values*. UNDP is driven by six core values: accountability, integrity, transparency, mutual respect, professionalism, results orientation. There is no tolerance for inaction when the organization's core values are violated.
    (h) *Safeguarding*. UNDP ensures its programming minimizes the threat of harm to people and the environment arising from its work, in accordance with UNDP policies and procedures on social and environmental standards. It also includes protection from all forms of discrimination, abuse of authority and harassment, including sexual exploitation and abuse and sexual harassment.

(i) **Transparency**. In accordance with its Information Disclosure Policy, UNDP makes available reliable and timely information about existing conditions, decisions and results relating to the activities of the organization, in an accessible, visible and understandable fashion, unless the information is deemed confidential.

B. Elements of the UNDP accountability framework

16. The UNDP accountability framework underscores the importance of clear elements of stakeholder and managerial accountability. These are discharged through an articulation of roles and responsibilities in relevant terms of reference, programming documents and organizational policies and procedures. Compliance and adherence to the accountability framework will be assessed through monitoring and oversight activities and will be communicated to the Executive Board through the reports described in section F. The Elements of the UNDP Accountability Framework are:

   i. *Planning and strategic direction*. The Administrator is accountable for providing organizational vision and direction following consultations with the Executive Board. This is operationalized through the UNDP strategic plan and its supporting global, regional and country programmes and integrated work plans.

   ii. *Policy and programme* refer to the clear programme and operations policies and procedures necessary to implement approved programmes and work plans effectively, including the stewardship and monitoring of resources provided to UNDP regional and country programmes, projects and portfolios at all levels (global, regional and country), as well as in the associated funds and programmes.

   iii. *Results and performance* refer to managerial responsibility to deliver on the performance targets articulated in the agreed results frameworks and the results-based budgeting framework, and to effectively manage risks to deliver those results.

   iv. *Partnership management* refers to effective partnership with development partners, including programme governments, funding partners, civil society, communities, private sector partners and other United Nations organizations responsible for contribution to national development goals and priorities in countries where UNDP operates.

   v. *Stewardship* refers to the need for managers to demonstrate proper stewardship of resources entrusted to them by ensuring clarity of roles and responsibilities and authorities and implementing integrated monitoring and controls systems in the office.

   vi. *Values and culture* refer to management efforts to set examples in leadership and in promoting the highest standards of ethical values, consistent with the United Nations Charter, and a culture of accountability and transparency within the office.

   vii. *Risk management.* At all levels of the organization, risks are identified and assessed, risk profiles are maintained, and mitigation measures are prepared, implemented and monitored as an integral aspect of UNDP operations and programming. The Enterprise Risk Management framework (including its related policies and procedures) thus has a direct impact on all other elements of the accountability framework.

   viii. *Quality assurance* refers to managerial efforts to establish quality assurance processes in programmatic and operational matters, including ensuring project and programme quality, commissioning decentralized evaluations, as well as the conduct of practice policy and knowledge product reviews by headquarters bureaus.

   ix. *Independent and decentralised evaluations* support the accountability framework through assessments of UNDP's contributions to development results as committed in the strategic documents at the global and country level.

   x. *Learning and change management* is a key aspect of our development work in that managers are expected to review results of independent and/or internal management reviews and make specific efforts to apply lessons learned, effectively manage and treat risks and manage change in the office. At the organizational level, it refers to a systematic approach to knowledge management and applying lessons learned from the thematic evaluations of global, regional and county programming as well as audits.

   xi. *Communications* is how we elevate key issues with one voice to our external stakeholders and provide them with relevant, accurate and timely knowledge and information; a key means for

mobilizing organizational resources; and a way through which we convey our advocacy on development issues. Internally, communication fosters engagement and alignment, equipping personnel with the information and knowledge they need to perform their roles efficiently and contribute to UNDP's overall mandate.

xii. *People* refers to the commitment of management to developing staff and encouraging their professionalization while making efforts to provide the best possible work environment.

C. Monitoring mechanisms of UNDP accountability

17. Monitoring is an essential management function to verify the achievement of results, assess performance and manage risks based on verifiable data. Monitoring is a continuous function that aims to provide management with indications of the quality, quantity, and timeliness of progress towards delivering intended outcomes and outputs as a basis for reporting to stakeholders as appropriate. It involves actively reflecting on risks that may impact the achievement of UNDP's objectives, especially the delivery of results, and facilitate managers to make decisions on how those risks should be identified and managed. It includes the monitoring of compliance with UNDP regulatory frameworks, policies and procedures. Effective monitoring depends upon availability of the necessary policies, procedures, tools and skills to achieve individual, unit-level and organizational results.

18. All units, including Bureaus, Country Offices and project teams, are held accountable for delivering on their plans through the annual planning, monitoring and reporting processes, and effective risk management. This includes preparing and approving a workplan at the start of a year, monitoring performance throughout the year by the unit assigned with oversight using data and performance conversations, employing results based management and enterprise risk management, and annual performance reporting in areas including progress in achieving agreed outputs.

19. Performance data, along with recommendations from the Ethics Office, the Office of Audits and Investigations, and the Independent Evaluation Office provide essential information and evidence to managers to make decisions to improve performance and accountability. Monitoring allows managers to address recurring and systemic issues and to incorporate lessons learned into future activities. In the UNDP context, the directors of regional bureaus are accountable for monitoring the performance of the respective country offices and taking steps to address recurring programmatic and operational issues. Directors of headquarters bureaus are accountable for monitoring the quality of their policy and practice support to UNDP offices.

D. Organizational, programmatic and staff accountability in UNDP

20. The UNDP accountability framework is integrated into the strategic plan through which development and organizational results are established. It is complemented by oversight policies and mechanisms with defined timelines for communication to the Executive Board and senior management through the various reports, as highlighted in section F.

21. Organization policies and standards ensure compliance is grounded in regulatory frameworks. These are included in the UNDP accountability framework, underscoring the commitment of UNDP to results-based and risk-informed performance management as well as to the shared values and culture of accountability and transparency. Underpinning the accountability framework are the shared values and culture of accountability, supported by a set of guiding principles, formally documented functions, responsibilities, authority and management expectations, policies, processes and accountability instruments to enhance capacity-building and continuous learning. Reporting to the Executive Board is an important element of the UNDP accountability framework, which will rationalize and build upon existing reporting.

22. The UNDP accountability framework includes three integrated facets: organizational, programmatic and individual accountability, with clearly defined responsibilities and supporting mechanisms.

Organizational accountability

23. As an organization, UNDP (through the Administrator and the Associate Administrator) is accountable to the Executive Board for the direction of management and for the delivery of the Strategic Plan, including institutional results and resources. UNDP is also accountable to demonstrate that all work done by the organization has been conducted in accordance with agreed regulations, rules, policies and procedures and operating standards, and to report fairly and accurately on performance results vis-à-vis mandated roles and plans. The resolutions arising from the Quadrennial Comprehensive Policy Review (QCPR), the Executive Board-approved UNDP Strategic Plan and its development results and institutional results matrices form part of the basis of UNDP accountability to the Member States, who, in turn, are accountable to their citizens and/or project beneficiaries for the resultant development goals and priorities. Management expectations around accountability are communicated at all levels, starting from the Administrator leading from the top.

24. The organization will continue to support the enhanced resident coordinator system and coordination structures at headquarters, regional and country levels, and to implement the Management Accountability Framework of the United Nations development system and the resident coordinator system.

25. As a member of the United Nations Security Management System (UNSMS), UNDP commits to responsibilities and accountabilities outlined in the UNSMS Framework of Accountability and associated UNSMS policies and guidelines. To further support implementation of the UNSMS, the organization has its own internal Security Framework of Accountability.

Programmatic accountability

26. The programmatic accountability of UNDP is articulated in its Strategic Plan, as well as the regional programme documents (RPDs) and country programme documents (CPDs) approved by the Executive Board. This work is strategic, integrative and aimed at strengthening national capacity. It is undertaken jointly with governments, in partnership with United Nations organizations, civil society, the private sector and other key stakeholders, with the financial support of partner countries, multilateral institutions (including Multilateral Development Banks and other IFIs), foundations, philanthropic organizations and the broader Member State donor community. UNDP is accountable to project partners and stakeholders for the delivery of project results.

    (a) At the country level, the United Nations Sustainable Development Cooperation Framework (UNSDCF) outcomes provide the overall framework for United Nations-wide support to national development goals. UNDP supports programme countries in the design of nationally owned country programmes through the Country Programme Document (CPD) approved by the Executive Board. UNDP country programme outcomes are the UNSDCF outcomes to which UNDP primarily contributes, sharing accountability with programme countries and other partners. In line with the principles of the QCPR, these outcomes are nationally owned. The UNDP contribution to achieving outcomes is made through outputs of its programmes and projects.

    (b) Government counterparts participate directly in the monitoring of UNDP activities at the relevant project and programme boards, meeting regularly with project and programme staff to review results achieved, risks that need to be managed and treated, participate in decentralized and independent country programme evaluations, analyse the recommendations of evaluations, and take decisions on future actions. The standard basic assistance agreement (SBAA), the UNSDCF and the CPD are the key instruments of programmatic accountability between programme countries and UNDP.

    (c) At the corporate level, accountability and reporting are based on country- and headquarters-level results and are achieved through unit-level work plans (Integrated Work Plans, or IWP), contributing to the development and institutional results frameworks (Integrated Results and Resources Framework, or IRRF, appended to the Strategic Plan) while addressing national

development goals and priorities. Individual units map their expected development and management results to the corporate results outlined in the frameworks.

(d) The cornerstone of programmatic accountability is premised on the principles of mutual accountability that have been defined in several reports and included in the Paris Declaration on Aid Effectiveness. Mutual accountability for programmatic matters involves the accountability of funding partners for providing aid in ways that support country development strategies and recipient governments for using aid and other resources effectively. This includes enhancing the checks and balances fundamental to development.

Individual accountability

27.   Roles and responsibilities of individuals are outlined in the terms of reference issued to all personnel. UNDP ensures appropriate delegation of authority to managers to ensure delivery of organizational commitments, while ensuring adherence to UNDP's values, principles, standards, policies and procedures. Based on the concept of mutual accountability (see annex 1 for the definition), managers are to provide adequate resources and appropriate tools, and delegate appropriate levels of authority to staff. Staff and other personnel are to utilize these resources, tools and authority in an effective and efficient manner, in accordance with the regulatory framework of UNDP, in order to achieve objectives and results. Staff and other personnel must take individual steps to be informed of organizational policies, procedures and standards defined by the organization. It is the duty of the individual staff members and other personnel to exercise defined responsibilities appropriately, with a clear understanding of the consequences, and to explain and justify to the official who conferred the authority the results achieved and the manner in which the authority was exercised. Individuals (including managers) in UNDP are accountable to the organization for expected ethical and professional conduct, and to their managers for how they discharge the authority delegated to them in delivering agreed performance results and budgets. The performance of individuals are assessed and discussed through the annual performance management process.

II.   UNDP Oversight Policy

28.   Oversight mechanisms provide the Executive Board and the Administrator with the assurance that: (a) activities are in accordance with UNDP's mandate and the expectations set for the organization by the Executive Board; (b) funds provided are fully accounted for and are spent in line with the organization's Financial Regulations and Rules, Executive Board directives and decisions, and organizational standards and policies; (c) performance expectations are being met; (d) staff and other personnel adhere to the highest standards of professionalism, integrity and ethics; and (e) an effective and efficient governance, risk management and control framework is in place.

29.   Oversight in UNDP entails: (a) measures taken to ensure that all programme, operational and financial activities are subject to internal as well as independent oversight, in accordance with professional standards; (b) the outcome of independent oversight work is regularly communicated to the relevant parties; and (c) management actions are taken to address areas of improvement and implement oversight recommendations.

30.   Oversight constitutes a set of activities in which internal mechanisms, as well as independent internal and external bodies provide assurances to the Administrator, the Executive Board and other stakeholders on the effective functioning of the Accountability Framework, including that the system of governance, risk management and controls are in place. The scope of oversight has been expanded over time beyond compliance with the legislative and regulatory framework to include assessment of the policy framework, efficient utilization of resources, and adherence to professional and ethical standards. This also enables prevention and acts as deterrence to fraud and malpractice.

31. All staff and other personnel are accountable to the Administrator for the regularity of actions they take in the course of their official duties. Any staff member or other personnel who acts in a manner that is contrary to the regulations, rules, or directives of the organization may be held personally responsible and financially liable for the consequences of such action.

32. *Enterprise Risk Management Framework* is implemented by UNDP as an integrated process to manage the risks to which the organization, its partners and project affected people may be exposed. Enterprise risk management links planning and management of strategic objectives and supports risk-informed decision-making. Accountability for the implementation of a systematic and organization-wide enterprise risk management framework (including policies and procedures) across UNDP rests with the Administrator and senior leadership of the organization, including the Chief Risk Officer/Associate Administrator. The leadership is supported by an organizational structure that includes a Risk Committee at the corporate level that reviews UNDP's strategic risks and risk treatment plans.

33. UNDP has a long-standing zero tolerance policy for all forms of fraud and corruption. Provisions of the anti-fraud and corruption policy apply to all staff members, other personnel, vendors, implementing partners and responsible parties.

34. Oversight activities assess compliance and adherence to the accountability framework and are communicated to the Executive Board through the reports identified in section F.

A. Principles and attributes of effective oversight

Principles of effective oversight

35. **Delegation of authority**: As set forth in the UNDP Financial Regulations and Rules, the Administrator is responsible and accountable for all phases and aspects of UNDP financial activities. The Administrator may delegate authority to UNDP personnel in accordance with the relevant FRRs.

Attributes of effective oversight

36. **The 'tone at the top'** regarding the expectation for orderly, ethical, economical, efficient, and effective conduct from all UNDP personnel at all times, set by the Executive Board and the Administrator as part of the UNDP management philosophy, operating style and organizational culture, is the foundation for effective oversight.

37. **Performance management**. Oversight at all levels reviews the data and evidence on the extent to which plans have been achieved in accordance with the expectations of the organization.

38. **Risk assessment and management**. Through a systematic application of enterprise risk analysis and treatment, management is responsible for continuously monitoring and reviewing changes in the environment; identification and treatment of risks; progress and constraints in achieving results; financial management and reporting; audit findings; and findings from major reviews and evaluations.

39. **Continuous improvement and lessons learned**. Oversight processes help identify ways to make business processes more efficient and effective through improved performance and coherence within the United Nations system.

40. **Responsibility and accountability for results**. Units are accountable to deliver the results with partners that are set out in respective programmatic plans (i.e, project documents, programme documents/CPDs, regional programme documents, strategic plan). Lessons are identified when results are not achieved, to learn and improve.

41. **Single audit principle**. As set forth in the report of the Secretary-General (A/48/587) dated 10 November 1993, the United Nations Board of Auditors (UNBOA) – the external auditor of UNDP – retains the exclusive right to perform external audits of the accounts and financial statements of UNDP. If special reviews are required, the Executive Board may request the external auditors to conduct specific examinations and issue separate reports on the findings.

42. **Internal audit function.** An internal audit function is a key component of an effective internal oversight system. This function is carried out by the Office of Audit and Investigations (OAI), whose mandate is to provide UNDP with independent and objective assurance, investigative and management advisory services through internal audits and investigations. OAI assesses and contributes to the improvement of governance, risk management and control processes needed for effective and efficient delivery of results and, through its activities, promotes accountability, integrity and ethical behaviour.

43. **Financial disclosure.** In accordance with General Assembly resolution 60/238: Human resources management, of 15 February 2006, and with the Staff Regulations 1.2 (m) and 1.2 (n), as well as the UNDP Financial Disclosure Policy, UNDP staff members and other personnel meeting the criteria for disclosure have an obligation to file annually the proper financial disclosure statement.

44. **Whistleblower protection**. UNDP has implemented measures to protect all personnel who report misconduct or cooperate with duly authorized audits, investigations and other oversight activities against retaliation. The Policy on Protection against Retaliation provides protection against retaliation for all individuals who report misconduct.

B. Three Lines Model

45. UNDP's accountability system aligns with the Three Lines Model developed by the Institute of Internal Auditors as a reference model on risk management, oversight and accountability. The figure that follows illustrates the model at UNDP for oversight.

Three Lines Model:
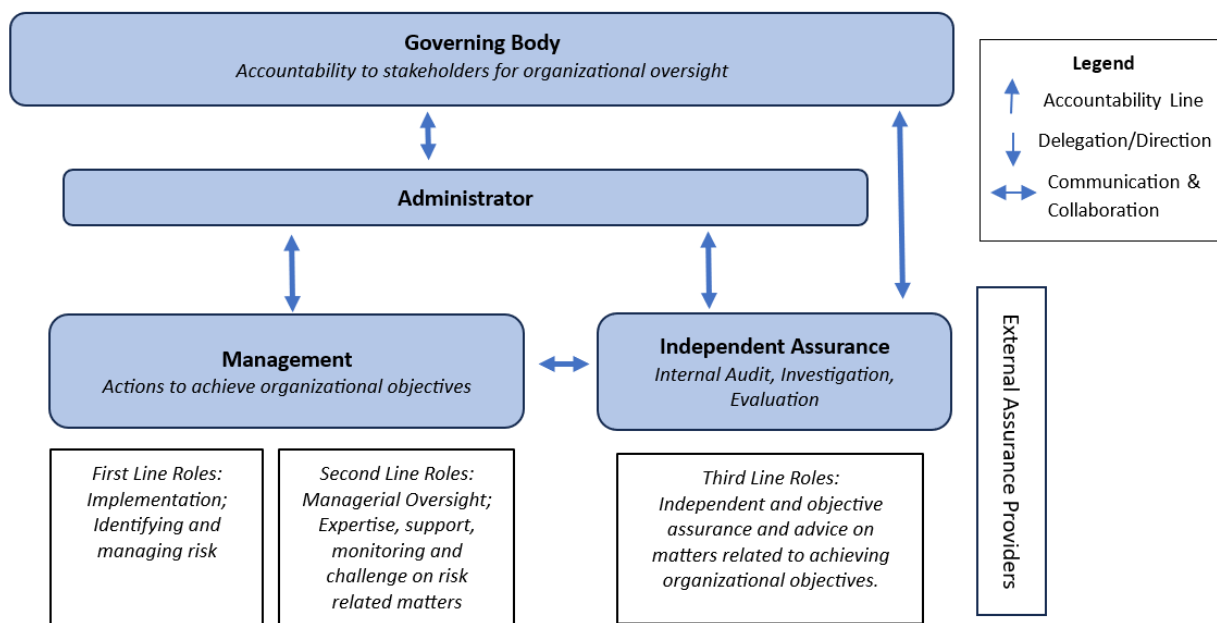
46. In the Three Lines model, first line roles are most directly aligned with the delivery of programmes, projects and services and include the roles of support functions. Second line roles provide managerial oversight of first line functions, and provide expertise, support, monitoring and challenge on risk related matters. Third line functions are independent assurance functions including internal audit, investigation and evaluation.

47. Management first line roles perform the following: (a) leading and directing action, including risk management, and applying resources to achieve the objectives of the organization; (b) establishing and maintaining appropriate structures and processes for the management of operations, risks and internal controls; and (c) ensuring compliance with regulatory and ethical expectations. First line roles include, for example, country offices for the implementation of Country Programme Documents (CPDs).

48. Management second line roles provide direction, analysis and reports on the adequacy and effectiveness of risk management, including internal controls. Second line roles include, for example, Regional Bureaus for effective oversight of Country Offices and Central Bureaus for specific functions such as financial management. All programming units are accountable for the oversight of the projects they implement. Oversight accountability entails ensuring the work delivers the expected results, uses resources efficiently, aligns with UNDP's mandate, complies with UN and UNDP regulations & rules and adheres to ethical standards. This is done through oversight mechanisms such as annual planning, monitoring and reporting processes, and performance and risk management.

C. Oversight roles and responsibilities

49. Oversight mechanisms are understood to provide the Executive Board and the Administrator with analysis and recommendations to allow them to execute their respective oversight functions.

The Executive Board

50. The oversight roles and responsibilities of the Executive Board established by General Assembly resolution A/RES/48/162 describes the responsibility of the Board as "providing inter-governmental support to and supervision of the activities of each fund or programme in accordance with the overall policy guidance of the General Assembly and the Economic and Social Council, in accordance with their respective responsibilities set out in the Charter, and for ensuring they are responsive to the needs and priorities of recipient countries".

51. The functions of the Board as elaborated in paragraph 22 of A/RES/48/162 are to: (a) implement the policies formulated by the General Assembly and the coordination and guidance received from the Economic and Social Council; (b) receive information from and give guidance to the Administrator on the work of UNDP; (c) ensure that the activities and operational strategies of UNDP are consistent with the overall policy guidance set forth by the Assembly and the Council in accordance with their respective responsibilities set out in the Charter of the United Nations; (d) monitor the performance of UNDP; (e) approve programmes, including country programmes, as appropriate; (f) decide on administrative and financial plans and budgets; (g) recommend new initiatives to the Council and through the Council to the General Assembly; (h) encourage and examine new programme initiatives and (i) submit to the Council, at its substantive session, annual reports which could include recommendations, where appropriate, for improving field-level coordination.

52. The Executive Board, in exercising its own accountability and oversight responsibilities effectively at the strategic level, requires accurate and timely reports that provide assurance that decisions made at the policy level are implemented, resources are properly and ethically used for the purposes provided, and management is fulfilling the objectives set by the policymakers.

The Administrator

53. The Administrator is responsible for the operations of UNDP and is accountable to the Executive Board for all phases and aspects of the management and implementation of UNDP activities, including accountability for the associated funds and programmes administered by UNDP. The Administrator delegates authority to the UNDP Associate Administrator, Assistant Administrators (Bureau Directors), Resident Representatives and other unit heads for specific functions essential to their position in order to carry out the mandate of the organization. Specific authorities are assigned to the UNDP Associate Administrator, to the Assistant Administrator, Director of the Bureau for Management Services, to the Comptroller, Bureau for Management Services, and to the Treasurer, Bureau for Management Services, by the Executive Board-approved financial regulations and rules.

D. Institutional arrangements (independent external and internal oversight)

54. Independent Oversight includes: (a) measures taken to ensure that all programme activities and organizational units of the organization are subject to independent oversight in accordance with professional standards and best practices (see Section E below); (b) the results of independent oversight work communicated to the relevant and concerned parties regularly as prescribed, exercising mutual accountability in performing their roles; and (c) management action taken to implement oversight recommendations.

55. Independent Oversight is organized institutionally through: (a) independent external oversight (United Nations Board of Auditors and Joint Inspections Unit); (b) independent internal oversight (Office of Audit and Investigations, Independent Evaluation Office and the Ethics Office); and c) other independent oversight advisory (Audit and Evaluation Advisory Committee).

Independent external oversight

The United Nations Board of Auditors (UNBOA)

56. The oversight roles and responsibilities of the United Nations Board of Auditors (UNBOA) are set forth in General Assembly resolution 74 (1) of 7 December 1946 and in the rules and procedures adopted at the Board's 49th Regular Session of (30 June - 1 July 2005), and amended at the 35th Special Session on 7 December 2005. The external auditor responsible for auditing the accounts of the United Nations Programmes and Funds, operates under article VII of the United Nations Financial Regulations and its annex, which also applies to UNDP. The UNBOA conducts independent audits and issues a report to the General Assembly on the following: (a) the audit of the financial statements and relevant schedules relating to the accounts of UNDP for the financial period; (b) compliance of transactions with the Financial Regulations and legislative authority; and (c) observations on the efficiency of the financial procedures, the accounting system, internal financial controls and, the overall administration and management of the organization.

The Joint Inspection Unit (JIU)

57. The oversight roles and responsibility of the JIU are set forth in General Assembly resolutions 2150 (XXI) of 4 November 1966 and 2360 (XXII) of 19 December 1967 and extended thereafter under General Assembly resolutions 2735 (XXV) A of 17 December 1970 and 2924 (XXVII) B of 24 November 1972. By its resolution 31/192 of 22 December 1976, the General Assembly decided to establish the JIU as a standing subsidiary organ and approved the statute of the Unit, with effect from 1 January 1978. In its resolution 60/258, the General Assembly reaffirmed the role of the Unit as the only system wide external oversight body mandated to conduct evaluations, inspections and investigations system wide. Its reports are submitted to the General Assembly and the governing bodies of the specialized agencies, funds and programmes of the United Nations. The Administrator

presents his annual report to the Executive Board on the follow-up and the implementation of the JIU recommendations.

Independent internal oversight

58.   The Director of the Office of Audit and Investigations and the Director of the Ethics Office report to the Administrator with the purpose of independently advising management. The Director of the Independent Evaluation Office reports directly to the Executive Board, but engages with the Administrator and other members of the executive office frequently. Each office reports to the Executive Board independently on its findings and concerns.

Office of Audit and Investigations (OAI)

59.   The internal audit responsibilities of OAI are prescribed in Article 4 of the Financial Regulations and Rules. With due regard for the need for full operational independence of the audit function, the Director of OAI: (a) establishes the annual work plan of the office; (b) submits reports to senior management; and (c) submits an annual report to the Executive Board on the activities of OAI on systemic weaknesses identified in audits, actions taken by management to implement audit recommendations, and other significant issues as deemed appropriate.

60.   The investigation responsibilities of OAI function through a hotline and other facilities to enable staff and others to report any instances of misconduct, such as wrongdoings, malfeasance, fraud, corruption, mismanagement, workplace harassment, sexual harassment, and abuse of authority. Investigations are conducted independently and findings are submitted to the Office of Legal Support for appropriate action.

61.   The charter of OAI, defining its purpose, authority, policies and procedures, was approved by the Administrator in consultation with the AEAC.

62.   Management responses are prepared for all internal audit reports.

Independent Evaluation Office (IEO)

63.   The Independent Evaluation Office (IEO) reports to the Executive Board and operates under an approved work plan and budget. It supports the organization and the Administrator's accountability function through the conduct of independent evaluations. The evaluation policy underscores the IEO's independence, ensuring that its findings remain objective and free from management influence. The policy establishes a management response system, requiring programme and operational managers to formally respond to evaluation recommendations and track their implementation over time.

64.   Evaluation also contributes to organizational learning through provision of systematic, independent assessment of the results, effectiveness and impact of the substantive activities of the programme, including the special purpose funds and progerammes under the Administrator's responsibility.

65.   The responsibilities of the IEO as custodian of the evaluation function, prescribed in the evaluation policy include: (a) prepare and periodically review and update the UNDP policy for evaluation; (b) submit its annual plan to the Executive Board; (c) report annually to the Executive Board on the function, findings and recommendations of evaluations, on compliance, quality assurance, and follow-up to evaluations conducted by UNDP and its associated funds and programmes; (d) maintain a system to record management responses to all evaluations; and (e) alert senior management to emerging evaluation-related issues of corporate significance. Evaluation reports, their management responses and follow-up to the management responses are available on a publicly accessible database, the 'Evaluation Resource Centre', maintained by the Evaluation Office.

Ethics Office (EO)

66. The ethics function was established in 2007. The function is in line with the Secretary-General's bulletin 'United Nations system-wide application of ethics: administered organs and programmes', issued on 3 December 2007. The Director of the Ethics Office reports to the Administrator. The terms of reference for the Ethics Office are outlined in ST/SGB/2007/11, section 3 which, according to section 1.4, should be read in conjunction with ST/SGB/2005/22: Ethics Office – establishment and terms of reference. The Director of the UNDP Ethics Office serves a term of five-years, exceptionally renewable once for another five years, and is subsequently ineligible to hold any other post in UNDP after his/her term expires. The Ethics Office is operationally independent, while complementing the work of other UNDP offices that deal with professional conduct. Its mandate includes:
    i. Policy development and standard setting;
    ii. Staff awareness through outreach and communication initiatives;
    iii. Confidential ethics advice to staff, non-staff and management;
    iv. Administering the UNDP financial disclosure programme;
    v. Protection against retaliation and promote whistleblowing;
    vi. Education and training on ethics, values, and standards; and
    vii. Apprise senior management of ethics-related risks.

67. UNDP is also committed to the United Nations system-wide harmonization, coordination, and coherence of ethics-related policies. The Director of the UNDP Ethics Office serves as a member of the Ethics Panel of the United Nations, chaired by the Director of the U.N. Secretariat Ethics Office, which has an overall policy coordinating responsibility among United Nations funds and programmes.

68. While maintaining the substantive independence and strict confidentiality of the Ethics Office, the Director is accountable to the Administrator for the management of the Office. The Director also presents an independent annual report to UNDP's Executive Board, and updates regularly and avails of the impartial advice of, the Audit and Evaluations Advisory Committee, which holds responsibility for reviewing and advising the Administrator on the Ethics function. The Director regularly consults with other independent oversight offices, the Office of the Ombudsman, and the Staff Council as needed on pertinent matters. S/he has observer status at the senior management meetings of the Organizational Performance Group (OPG), and is expected to meet regularly with the Associate Administrator and/or the Chief of Staff to keep them apprised of progress.

69. As provided in ST/SGB/2007/11 /Amend.1, section 2.3, "the Chairperson of the Ethics Panel of the United Nations is responsible for providing functional leadership to all Ethics Officers of the funds and programmes, in order to promote the building and developing of capacity, including adequate levels of professionally qualified resources; and ensure adherence to consistent methodology in the delivery of ethics-related services". Per section 4.1, "in order to safeguard and ensure that all matters associated with the discharge of duties and responsibilities of the Ethics Office of the separately administered organ or programme are independent and free from any undue pressure and influence, solely at the discretion of the head of a separately administered organ's or programme's Ethics Office, he or she may refer any matter within the Office's area of responsibility, at any time, to the Chairperson of the Ethics Panel of the United Nations for advice and guidance, and shall inform the Executive Head of the separately administered organ or programme of the referral made." In addition, as outlined in section 4.3, "if, following the receipt of a request for advice or complaint submitted by a staff member in accordance with subparagraph (c) or (e) of section 3 above, the respective Ethics Office does not, within forty-five days, formally consider the request, the staff member may then refer the matter in writing to the Chairperson of the Ethics Panel of the United Nations. Alternatively, if following a final determination by the respective Ethics Office of a matter referred to it by a staff member, the said staff member wishes to have the matter reviewed further, he or she may, in writing, refer the matter to the Chairperson of the Ethics Committee. In such an event, the Chairperson, after consultation with the Ethics Panel of the United Nations, may undertake his or her own independent review of the matter and provide a written report to the Executive Head of the separately administered organ or programme. Independent review for the purposes of this provision shall include review of the

actions already taken by the concerned Ethics Office, determination of what additional actions are required, including, in the case of matters falling under subparagraph (e) of section 3, whether referral for investigation is warranted based on the requirements of the policy for protection against retaliation of the concerned Ethics Office, and provision of recommendations to the Executive Head of the concerned separately administered organ or programme. The Chairperson will include a summary of all such cases in the annual report of the activities of the Ethics Office of the United Nations Secretariat".

Other Independent Oversight Advisory

The Audit & Evaluation Advisory Committee (AEAC)

70. The role of the AEAC as an independent body is to assist the Administrator in fulfilling responsibilities regarding oversight, financial management and reporting; internal audit and investigation, external audit; risk management; the evaluation and ethics functions, and systems of internal control and accountability. The primary role of the Committee is to advise the Administrator, taking into consideration the Financial and Staff Regulations and Rules as well as policies and procedures applicable to UNDP (including UNV) and its operating environment. Pursuant to its TOR, the AEAC makes recommendations to the Administrator, including on the strategy and workplans of the independent offices as well as on the appointment, performance evaluation, extension and dismissal of the heads of those offices. The AEAC submits its annual report to the Administrator, which is presented to the Executive Board.

E. Professional standards for internal independent oversight

71. Professional standards continue to evolve in order to keep pace with the changing environment; where appropriate, UNDP will adhere to the evolving standards.

Audit standards

72. Audit in UNDP adheres to the International Standards for the Professional Practice of Internal Auditing, promulgated by the Institute of Internal Auditors (IIA), which "provide guidance for the conduct of internal auditing at both the organizational and individual auditor levels. These are the result of careful study, consultation and deliberation about the basic principles for providing internal audit services" (IIA website: http://www.theiia.org). In subscribing to the IIA standards, OAI is expected to uphold to a code of conduct and adopt performance standards by which its work will be performed and reported on.

73. Quality assurance is undertaken through independent periodic peer reviews consistent with the professional standards and practices of the Institute of Internal Auditors to assess the OAI mandate, structure, activities and resources against best practices in the internal audit industry.

74. OAI formulates its audit plans based on a risk assessment. The risk assessment methodology for country office audits conducted by OAI takes into account quantitative factors, such as resource allocation or procurement volume, and qualitative factors, such as the local environment or past audit results. The specific risk-scoring is carried out by OAI with the participation of headquarters bureaux/country offices, as appropriate.

Investigation standards

75. The investigation function in UNDP is performed in conformity with the Uniform Guidelines for Investigations endorsed by the 4th Conference of International Investigators.

Evaluation standards

76. Evaluation in UNDP is governed by the evaluation policy approved by the Executive Board, which is in line with United Nations Evaluation Group (UNEG) norms and standards for evaluation in the United Nations. Those standards relate to independence, intentionality, transparency, ethics, impartiality, quality, timeliness and utility. The IEO's multi-year work plan outlines the evaluations, synthesis products, and capacity development activities conducted over four years. It is approved by the UNDP Executive Board once every four years. Any changes made to this plan are communicated to the Executive Board in advance. The Director of the IEO determines the work plan in consultation with UNDP management, Executive Board members, and other stakeholders.

77. Quality assurance of the evaluation function is undertaken through periodic reviews aligned with standards and practices of UNEG peer reviews. Independent evaluations are quality assured through external advisory panels. The implementation of evaluation policy stipulates periodic independent reviews.

78. Quality assurance of decentralized evaluations is undertaken by the Evaluation Office, who sets evaluation standards for planning, conducting and using evaluations, develop guidance on methodology and evaluation practice, and establishing institutional mechanisms for applying the standards.

Ethical standards

79. The UNDP Legal Framework for Addressing Non-compliance with UN Standards of Conduct provides a comprehensive expression of the application of United Nations Staff Regulations 10.1 through 10.4, and chapter X of the Staff Rules, to UNDP. Through its updates, the Legal Framework provides: (a) expanded provisions defining the rights and obligations of staff in reporting wrongdoing, including regarding whistleblower protection and the responsibilities of the Head of the Ethics Office in that regard; (b) a more detailed definition of the delegation of authority, including the authority of the Associate Administrator in the application of the disciplinary process and measures; and (c) clarification of the due process rights of staff members in the course of an investigation, any applicable disciplinary proceedings, and final resolution of the case. In addition, UNDP has issued a comprehensive Code of Ethics (CODE OF ETHICS (undp.org)) which consolidates the ethical expectations of all of UNDP's staff and other personnel, worldwide.

F. **Reporting to the Executive Board for Oversight and Accountability**

80. Given the multilateral, decentralized, cross-sectoral and demand-driven nature of development work in UNDP, a robust system is necessary for reporting to the Executive Board to facilitate its governance and oversight functions in order to (a) support the effective management, monitoring and reporting of country, regional and global programmes; (b) provide the Executive Board with performance and risk management data for accountability purposes, organizational learning, and decision-making and (c) provide the substantive basis for communicating the results of UNDP programmes and projects to the Executive Board and other stakeholders.

81. Specific standing items and reporting requirements as part of the annual workplan for the Executive Board, which are derived from Governing Council and Executive Board decisions, are included below. They include reports on:

  (a) The Implementation of the Recommendations of the Board of Auditors
  (b) Country Programme Documents
  (c) Thematic Evaluations
  (d) Risk management
  (e) Organizational culture
  (f) Financial report and audited financial statements
  (g) Progress Against the Strategic Plan
  (h) Recommendations of the Joint Inspection Unit

(i)   Independent Evaluation Office activities
(j)   Internal Audit and Investigation activities
(k)   Ethics Office activities
(l)   Audit & Evaluation Advisory Committee
(m) Implementation of the UNDP Gender Equality Strategy
(n)   Implementation efforts on the repositioning of the UN development system
(o)   Protection against sexual exploitation and abuse and sexual harassment
(p)   UNV
(q)   UNAIDS Programme Coordinating meeting
(r)   Field visits
(s)   Structured funding dialogue and annual review of the financial situation)

G.   Procedures for disclosure of internal audit reports

82.   In accordance with UNDP Financial Regulation 2.01, the Administrator of UNDP is responsible and accountable to the Executive Board for all phases and aspects of UNDP activities, and internal audit reports are an essential tool for discharging this responsibility and accountability.

83.   The second regular session 2007 of the United Nations System Chief Executives Board for Coordination endorsed the recommendation on the disclosure of internal audit reports, providing for "disclosure to Member States, respecting the management prerogatives of executive heads and subject to conditions and criteria to be defined within the context of an organization policy that should not be applied retroactively" (CEB/2007/2, paragraph 50). Internal audit reports issued by OAI since 1 December 2012 are publicly available one month after their issuance to UNDP management.

84.   The procedures for disclosure of internal audit reports will be reviewed periodically.

H.   Definitions

85.   UNDP, UNFPA and UNOPS have agreed that the harmonization of definitions should be based on authoritative sources such as resolutions/decisions of a governing body (the General Assembly or the Executive Board), official bulletins (such as the Secretary-General's Bulletin), and, where appropriate, other independent, credible sources.

86.   The following are key definitions used in the present report on the UNDP accountability system (accountability framework and oversight policy), as harmonized with UNFPA and UNOPS, at the request of the Executive Board, and as adopted by the General Assembly in resolution 64/259. These key definitions form the broad basis of the UNDP accountability system. For additional definitions please refer to annex 1.

(a)   *Accountability* is the obligation of an organization and its personnel to be answerable for all decisions made and actions taken, and to be responsible for honouring their commitments, without qualification or exception.

Accountability includes:
(i)   achieving objectives and high-quality results in a timely and cost-effective manner;
(ii) fully implementing and delivering on its mandate in compliance with all resolutions, regulations, rules and ethical standards;
(iii) verifiable, objective, accurate and timely reporting on performance results;
(iv) responsible stewardship of funds and resources;
(v)   all aspects of performance, including a clearly defined system of rewards and sanctions; and
(vi) due revognition of the important role of the oversight bodies and in full compliance with accepted recommendations.

(b) *Confidential information* means:

    (i)   Information received from or sent to third parties, with an expectation of confidentiality;

    (ii)   Information whose disclosure is likely to endanger the safety or security of any individual, violate his or her rights, or invade his or her privacy;

    (iii)   Information whose disclosure is likely to endanger the security of Member States or prejudice the security or proper conduct of any operation or activity of the organization;

    (iv)   Information covered by legal privilege or regulatory proceedings, or that subjects the organization to an undue risk of litigation or is related to internal and investigations;

    (v)   Internal inter-office or intra-office documents, including e-mails and draft documents;

    (vi)   Commercial information, if disclosure would harm either the financial interests of the organization or those of other parties involved;

    (vii)   Information which the organization believes would, if disclosed, seriously undermine the policy dialogue with Member States or implementing partners; and

    (viii)   Other kinds of information which, because of its content or the circumstances of its creation or communication, must be deemed confidential.

(c) *Internal audit report* means the final report resulting from an audit signed by the Director of the Office of Audit and Investigations and issued to the Administrator and the auditees for their consideration and for the implementation of recommendations. The report is also provided to the UN Board of Auditors.

(d) *Internal control* is a process, effected by a governing body, management or other personnel of an organization, designed to provide reasonable assurance regarding the achievement of objectives in the categories of (i) effectiveness and efficiency of operations, (ii) reliability of financial reporting, and (iii) compliance with applicable laws and regulations.

(e) *Oversight* means the general process of review, monitoring, evaluation, supervision, reporting and audit programmes, activities, policy implementation, and results of the organization. This is to ensure organizational, financial, operational and ethical accountability, effectiveness of internal controls, and the prevention of fraud and malpractice.

(f) *Transparency* refers to a process by which reliable, timely information about existing conditions, decisions and actions relating to the activities of the organization is made accessible, visible and understandable.

Annex 1
Definitions of other terms used

Internal control framework: All the policies, procedures, monitoring and communication activities, standards of behavior and other activities that, combined, inter alia: safeguard assets from inappropriate use and loss from fraud and error; help ensure the quality of internal and external reporting, through the maintenance of proper records and information flows; and facilitate compliance with applicable laws, regulations and internal policies.

Mutual accountability: Accountability of funding partners for providing aid in ways that support country development strategies and recipient governments for using aid and other resources effectively. This includes enhancing the checks and balances fundamental for development. In the case of managers and staff, managers are to provide adequate resources, appropriate tools and delegate relevant authority to staff, and staff are to utilize those resources, tools and delegated authority in an effective and efficient manner, in accordance with the regulatory framework of the United Nations entity, including checks and balances, in order to achieve the objectives and results of the entity.
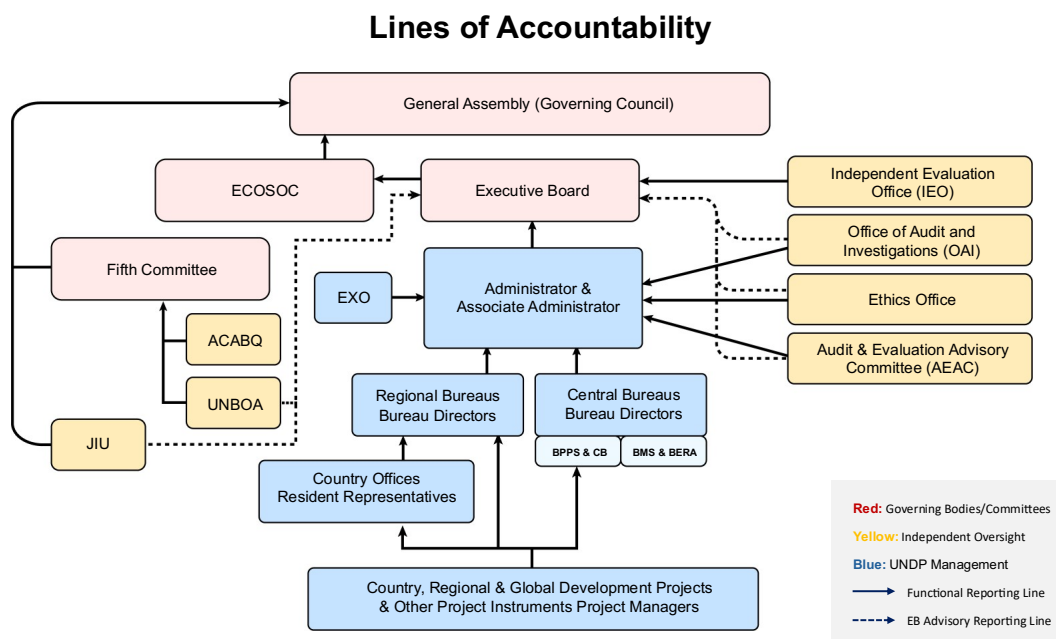
Annex 2: Figures

Figure 1:

Lines of Accountability

Figure 2:

UNDP's Accountability System

Principles and Elements of Accountability

Culture, Guidance, Training, Monitoring Indicators

Programme Planning & Budgeting
Strategic Plan
Integrated Resources Plan & Integrated Budget
Regional Programmes
Country Programmes / UNSDCF

Accountability Delivery Controls
- Financial Regulations and Rules
- Programme & Operations Policies & Procedures
- Delegation of Authority
- Internal Control Framework and Segregation of Duties
- Enterprise Risk Management
- Business Continuity
- Quality Assurance
- Risk Assessments (HACT, PCAT, etc.)
- Fraud prevention
- Project Audits
- Anti-Money Laundering and Countering the Financing of Terrorism
- Security of Personnel
- Recruitment System & Staff Rules
- Formal & Informal Systems of Justice
- Change Management
- Job Descriptions
- IT and Cybersecurity Controls

Ethical Standards
- Preventing Sexual Exploitation & Abuse and Sexual Harassment
- Protection Against Retaliation
- Ensuring Personnel Wellbeing
- Social & Environmental Standards
- Transparency
- Data Privacy
- Self-Attestation

Results & Performance
- Annual Reporting
- Organizational Performance
- Executive Compacts
- Performance Management System
- Talent Management
- Performance Monitoring & Management Oversight
- Integrated Work Planning, Monitoring & Reporting
- Decentralized Evaluations

Independent Oversight Functions
- Office of Audit & Investigations
- Independent Evaluation Office
- Ethics Office
- Audit and Evaluation Advisory Committee
- Joint Inspection Unit
- UN Board of Auditors

Enablers
Digital Platforms, Tools (incl. AI), Analytics, Business Intelligence Communications, Partnerships Management Knowledge & Learning

Stakeholder Engagement
- Member States / Executive Board
- Programme Governments
- Funding Partners
- Implementing Partners
- UN Agencies
- Project Affected Communities
- Civil Society, Private Sector and Others
- Public