



United Nations Development Programme
Office of Audit and Investigations

Framework for auditing Delivering as One programmes

Background

This framework provides the basis for a unified internal audit approach for auditing Delivering as One (DaO) programmes at the country level jointly by the Internal Audit Services (IAS) of the participating United Nations organizations. The framework recognizes and is subordinate to the individual mandate of the participating IAS.

The framework aims at more coherent governance, enhanced management and increased effectiveness of auditing DaO programmes. It seeks to achieve this by consolidating and pooling the audit resources and efforts of the IAS involved, by eliminating duplication and overlap and by closing existing audit gaps. The framework delineates the functions, roles and responsibilities of the participating IAS as well as the process of managing such joint assignments.

In order to achieve this, the participating IAS aim at harmonizing procedures and approaches for planning, reporting and audit follow up.

Participating agencies

This framework applies to internal audits conducted jointly by the IAS of those members of the United Nations Development Group (UNDG)¹, which are Participating Organizations in the DaO programmes². Evaluations or other reviews are not covered by this framework.

Purpose

The framework applies when auditing UN agencies' offices or programmes/projects/funds that form part of a DaO programme. The IAS of the participating organizations will agree on the scope and period of the joint audit in consultation with the UNCT of the DaO programme to be audited.

Notwithstanding the "single audit principle" as set forth in the report of the Secretary-General (A/48/587) dated 10 November 1993, the purpose of the present document is to establish the principles and modalities of cooperation between the IAS of UN organizations to undertake joint audits to assess the adequacy and effectiveness of the governance, risk management, and control processes over implementing DaO programmes. This would include the exchange of the information pertaining to the implementation of the DaO between the IAS concerned in order to be able to place reliance on the work of another IAS to manage the risks inherent to this pilot approach.

The joint audit is designed to provide reasonable assurance that the governance processes of DaO programmes are adequate, that risks emanating from these programmes are effectively managed and that internal controls in place are adequate and effective. The joint audit will also ensure that any major shortcomings, which require action by more than one participating organization or which, if not addressed, could negatively affect the joint programme, are properly addressed and that related audit recommendations are acted upon.

¹ See Annex 2-UNDG Fact Sheet for list of UNDG members

² See Annex 3 for participating organizations of the One UN Fund for each of the One UN pilot countries

Principles of cooperation

The cooperation among the participating IAS is guided by the following principles:

- Ensure a coherent and consistent approach to auditing DaO programmes;
- Avoid duplication of efforts in auditing DaO programmes;
- Avoid gaps in audit coverage of DaO programmes;
- Enhance audit effectiveness;
- Optimize use of audit resources;
- Reduce audit burden for the management of DaO programmes;
- Contribute to more coherent management of DaO programmes;
- Identify audit issues in the implementation of DaO programmes;
- Make recommendations to the UN Country Team, and as far as policy issues are concerned, to the UNDG;
- Ensure effective follow-up on issues which are relevant beyond the level of an individual agency.

Objective of joint auditing

The audit objectives are to assess the adequacy and effectiveness of the governance, risk management, and control processes in order to provide reasonable assurance to the UNDG regarding the:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with legislative mandates, regulations and rules, policies and procedures as well as donor requirements.

Audit areas to be covered

Based on their own risk assessment processes and their results and/or a risk assessment undertaken jointly, the IAS of concerned UN agencies may decide to undertake joint audits of DaO activities. The IAS will agree on the scope and period of the joint audit, taking into account input from the UN Country Team concerned.

The areas to be covered by a joint internal audit include compliance with policies and procedures for DaO in line with the principles of One Leader, One Budget, One Programme; One Office, One Voice; inter alia³:

- To assess whether the CCA and UNDAF processes have laid a sound basis for focused UN programme of cooperation with logical linkages with government priorities. This will include assessing the process of preparation of UNDAF, assessing the level of participation of stakeholders, UNDAF Results Matrix and Monitoring and Evaluation Framework, etc
- Joint programmes are identified in line with UNDAF priorities drawing the strengths and added values of each UN agency
- HACT assurance process (in compliance with the HACT auditing framework agreed in September 2009)
- Assess the UN Operations – if they leverage on One UN House, common procurement plans, economies of scale, best practices,
- Assessing the internal controls over the management of One Fund as well as the capacity to effectively and efficiently perform the Administrative Agent role.
- Assess if policies and procedures have been harmonized between the implementing UN agencies

³ See Annex 1 for detailed audit areas based on the 4 DaO principles

- Assess if the governance and accountability arrangements established by the RC or UNCT are adequate – what assurance mechanism does RC have to ensure accountability and oversight of joint funds made available to participating agencies.

Auditing as One Steering Committee

The IAS of each participating UN organization will nominate a member of Auditing as One Steering Committee (Steering Committee). The primary function of the Steering Committee is to ensure the overall coordination of the audit. This includes:

- identifying the DaO programme to be audited;
- deciding on the scope and period to be audited;
- establishing the Joint Audit Team;
- establishing timelines for reporting;
- endorsing the final audit report;
- deciding on any issues that cannot be resolved at the audit team level.

UNDP's Office of Audit and Investigations (OAI), as the internal auditor of the United Nations Resident Coordinator system and as the internal auditor of the Administrative Agent of the One UN Funds, will issue all audit-related correspondence (audit notifications; draft audit reports; audit reports; follow-up), will be the custodian of the audit working papers and will serve as repository for the audit recommendations.

Joint Audit Team

The audit will be entrusted to a Joint Audit Team. In establishing the Joint Audit Team, the following aspects shall be taken into account:

- In order to be representative, the Joint Audit Team should be composed by auditors of at least three Participating Organizations;
- In order to keep the team at a manageable size, it is not feasible for all IAS to participate in all joint audit teams, given that the number of UN organizations participating in each of the DaO programmes ranges between 9 and 19;
- Unless otherwise agreed, OAI as the internal auditor of the United Nations Resident Coordinator system will provide the team leader.
- Each IAS will indicate whether it will
 - a. Participate in the joint audit by assigning an auditor to the Joint Audit Team; or
 - b. Participate in the joint audit by authorizing the Joint Audit Team to conduct audit activities on its behalf; or
 - c. Not participate in the joint audit; in this case, the IAS will, however, facilitate contacts and meetings of its organization's representatives in the UN Country Team and other relevant managers with the Joint Audit Team.
- Each IAS will be responsible for the travel and other cost of their respective staff member(s) assigned to the Joint Audit Team.

Audit process

- The audit notification will be sent to the Chair, UN Country Team.
- The draft report will be submitted to the Chair, UN Country Team for review and comments.
- The final audit report will be submitted, on behalf of the Steering Committee, to the Chair of the UN Country Team, with copies to:
 - the Chair of UNDG;
 - the Administrative Agent of the One UN Fund or the Joint Programme;
 - the Chair of the One UN Fund Steering Committee;
 - the UN Development Operations Coordination Office (DOCO);
 - the UNDG MDTF Oversight Committee;

- the IAS of the Participating Organizations.
- The joint audit report will focus on issues of relevance to the UN Country Team and to UNDG, in particular issues that require corrective action by more than one agency to be addressed.
- Issues of relevance to only one agency will be referred the IAS concerned who will report to their management as deemed fit.

Amendments to framework

The framework will be reviewed and may be amended by the participating Internal Audit Services, based on the lessons learned from the joint pilot audit of the Tanzania Delivering as One Programme.

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