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ACCOUNTABILITY IN UNDP

SUMMARY

The present conference room paper provides an update on the elaboration and implementation of an accountability framework within UNDP. At its third regular session 1996, the Executive Board indicated its support for the approach contained in the report of the Administrator on accountability in UNDP (DP/1996/35), which described an accountability framework to reinforce the optimum utilization of UNDP resources through organizational and individual accountability (see Executive Board decision 96/36). The key components of this framework are: the establishment and communication of the UNDP mandate, mission and goals; shared values; competencies; and a system for monitoring and learning.

The present document reviews the elements of the accountability framework and provides an overview of the efforts of UNDP to align the systems and subsystems of the accountability framework with the change process, focusing on current developments in each.

I. PURPOSE

1. The present conference room paper provides an update on the elaboration and implementation of an enhanced accountability system within UNDP.
2. In its decision 96/36, the Executive Board indicated its support for the approach contained in the report of the Administrator on accountability in UNDP (DP/1996/35), which described an accountability framework to reinforce the optimum utilization of UNDP resources through organizational and individual accountability. Key components of the framework are: the establishment and communication of the UNDP mandate, mission and goals; shared values; competencies; and a system for monitoring and learning. The subcomponents of monitoring and learning include: assurance; corrective actions; and rewards and sanctions.
3. An enhanced accountability system is needed to respond to two developments: areas identified for improvement within current systems; and the significant changes proposed by the UNDP 2001 change process. When fully implemented, the framework described in document DP/1996/35 will enhance existing accountability mechanisms by providing a foundation for financial and other accountability subsystems. The framework includes the essential feedback systems necessary for enhancing the financial and programmatic reporting to and monitoring by the Executive Board of performance against strategic objectives. It will strengthen the linkage between the organization's strategic goals and programme delivery.

II. HISTORY

4. UNDP has sought to create a strong culture of accountability for high-level programme performance as well as for human, financial, material and programme resources. This process was given further impetus in 1991, when the United Nations Board of Auditors made forceful observations to the General Assembly regarding the importance of accountability, efficiency and cost-effectiveness in the use of funds, as reflected in General Assembly resolution 46/183.
5. UNDP financial accountability systems have been continuously refined to ensure that funds entrusted to UNDP are managed as effectively and efficiently as possible and that unsatisfactory conduct, negligence or mismanagement are swiftly detected and sanctioned. In August 1990, the Administrator issued administrative circular ADM/90/79, which spelled out the processes and standards for personal responsibility and financial liability of UNDP officials. Individual staff members were reminded that they are accountable for the regularity of their actions and may be financially liable and responsible for the violation of financial rules, instructions and procedures.
6. In the context of the increasing delegation of authority for financial matters to senior managers, in particular to resident representatives, subsequent circulars addressed the issue of managerial accountability in

relation to the use of financial resources. Others established a strong linkage between UNDP programmatic goals and expectations for good financial accountability and job performance. Addendum 1 of ADM/93/50 addressed accountability in terms of management of human resources. ADM/1992/47, ADM/1993/13, ADM/1993/50, ADM/1993/69, ADM/1994/11, ADM/1994/71, ADM/1995/32 and ADM/1995/86 refer. The most recent of these circulars, ADM/1997/17, focuses on accountability, disciplinary measures and procedures.

7. Since 1993, UNDP has extended the coverage and frequency of audits by contracting with reputable international accounting firms, first in Asia and subsequently in Africa. In the next biennium, this practice will be expanded worldwide. Follow-up on audit recommendations has been enhanced by the systematic use of a database to track their implementation. Reporting to the Executive Board will take the form of an annual report on audit and oversight activities.

8. The introduction of the performance assessment review (PAR) process in 1990 facilitated linkages of individual performance to the achievement of each unit's goals, and then ultimately to UNDP corporate plans. The first such integrated plan was produced for 1995, with measurable targets and indicators for success. Integrated work-planning and performance reviews have created and reinforced criteria for expected performance at all levels. The introduction of a competency-based post assignment system adds an important element.

9. The results of an accountability assessment report for UNDP, prepared by a group of consultants from George Washington University and released in November 1996, influenced the development of the accountability framework within the UNDP 2001 change process and the development of a planned ethics programme.

10. Recent major developments regarding the accountability systems were reported on orally by the Associate Administrator at the first regular session of the Board in 1997. Overall, major developments include: the introduction of the new programming arrangements (see Executive Board decision 95/23) and the refocusing of the UNDP mission (see Executive board decision 96/29); the testing of a new approach of ex post facto programme impact and performance assessment (PIPA); the shift towards greater decentralization and empowerment of country offices piloted in 10 centres of experimentation; the elaboration of a competency-based human resources management strategy as well as a training strategy; the introduction of the Integrated Management Information System (IMIS) in 1996; and the operationalization of databases by the Division for Audit and Management Review (DAMR) containing all audit recommendations from 1995 onwards for coordinated follow-up, as well as a database for all accountability cases.

III. THE UNDP ACCOUNTABILITY FRAMEWORK

11. Addendum 7 of the annual report of the Administrator, entitled "Framework document for consultations with the Executive Board: change management: UNDP 2001" (DP/1997/16/Add.7), is being submitted to the Executive Board at its present session. The document describes the UNDP 2001 change initiative. The

proposed new UNDP will be a more decentralized organization. Country offices will have greater authority to spend and mobilize resources, requiring enhanced accountability. They will also have greater responsibility for programme performance, requiring the strengthening of oversight mechanisms.

12. Within this context, individual elements or subsystems of accountability will be more strongly integrated within the framework described in document DP/1996/35. These subsystems include: the planning and programming system; the financial resources management system; the human resources management system; the material resources management system; the oversight system, including audit and evaluation; and the internal justice system.

13. The framework for accountability set out in document DP/1996/35 provides the components of the system envisioned. In integrating and strengthening existing accountability methods and efforts, it encourages a linkage between strategic goals and programme activities, culture and values. By achieving this integration, UNDP accountability systems will gain greater coherence, providing even further assurance of appropriate and effective accountability systems as the UNDP 2001 changes are implemented.

IV. THE UNDP MANDATE, MISSION AND GOALS

14. At the Glen Cove II meeting of the UNDP Executive Committee in 1996 and again in document DP/1997/16/Add.7, the mission and goals of UNDP to achieve sustainable human development (SHD) were elaborated. A clarity of meaning has developed around SHD, leading to a sharpening of organization-wide goals required to achieve it. UNDP 2001 refines the mission and macro-goals into a vision for the achievement of its operational tasks.

15. UNDP operational goals were first described in 1995 and refined in its 1996/1997 operational plan. An interactive process is used to translate the vision of the Administrator into bureaux annual work plans and the UNDP operational plan, both of which form the basis for the elaboration of unit work plans and, ultimately, individual work plans.

16. In the context of the UNDP 2001 change process, the UNDP operational plan for 1998/1999 seeks to further facilitate the transformation of the clearly defined mission and mandate of the organization into operational outcomes and impacts for which individual staff members at headquarters as well as in programme countries can and will be held accountable.

Institutional governance

17. Institutional governance by the Executive Board is strengthened through the introduction of the accountability framework. It is proposed that the systems for institutional governance be further strengthened through the introduction of a control risk self-assessment (CRSA) programme. CRSA, described more fully under chapter VIII, section A, on assurance systems, below, is also a central feature of the accountability framework for all of UNDP.

18. A framework for governance of functions under the authority of the Administrator has now been put in place. The Executive Committee was formed in 1996 to assume responsibility for strategic and management oversight. Functioning as the UNDP executive management team, the Executive Committee provides a forum for discussion and ratification of agreements of major management decisions. Other committees have been streamlined and strengthened as well.

19. The Programme Management Oversight Committee (PMOC) is the primary management mechanism through which the Administrator exercises oversight of UNDP programmes and policies. It serves as a clearing house for policy coordination, focusing on the broader issues of oversight, i.e., programme support and quality control in the organization.

20. The Administrator has also established a high-level oversight and due process committee, the Management Review and Oversight Committee (MROC), which held its first meeting in April 1997, and is scheduled to hold its second meeting in June 1997. MROC, which includes the Under-Secretary General of the United Nations Office for Internal Oversight Services as a member, will provide the Administrator, and through him the Executive Board, with the assurance that the UNDP accountability framework is operating effectively. MROC will review: long-term and annual plans, their results and follow-up activities, and implementation of corrective actions as a result of internal audits, reviews, self-assessments and evaluations of UNDP activities; the status and results of special investigations and recommendations to the Administrator on appropriate measures to be taken; circulars issued semi-annually by the Associate Administrator reporting on sanctions imposed; and the reports on oversight matters submitted to the Administrator and the Executive Board.

21. The accountability system will facilitate the governance reforms and improvements of UNDP 2001 described in DP/1997/16/Add.7 by pinpointing responsibility, clarifying lines of authority, and creating efficient operating procedures through management and financial controls, reviews and audits. Once implemented, it is envisioned that a data reporting system between headquarters and country offices will provide further controls. Governance reforms, which stress delegation and empowerment, are also facilitated by the framework's emphasis on the prevention of problems through CRSA and programme and management performance measurement.

V. SHARED VALUES

22. The "Report on standards of conduct in the international civil service, 1954" (COORD/CIVIL SERVICES/5, 1986 edition) provides the basis for the shared values of the organization. However, while the Report remains relevant, it was written for a less operational, more centralized organization. UNDP has been working to update its shared values through the development of a statement of values and a new code of conduct.

A. Statement of values

23. During 1996, a process of consultation took place within UNDP on the development of shared values for UNDP 2001, through a survey of staff. This process led to a draft statement of values and guiding principles. The shared values for UNDP 2001 are: results orientation, integrity, and respect. These shared values and guiding principles will be ratified during 1997 and will form the basis for an ethics programme for UNDP, supported by ethics modules in existing UNDP training activities as well as those planned for implementation as part of the UNDP 2001 change process.

24. In 1996, the Global Staff and Management Survey provided a basis by which to monitor the practice of the UNDP 2001 shared values. The survey measured four key variables: adaptability; work effectiveness; efficiency orientation; and credibility capital. Further surveys will allow monitoring of changes in these variables within units and offices and throughout the organization.

B. Code of conduct

25. Staff conduct continues to be guided by the "Report on standards of conduct in the international civil service, 1954". To meet current, organization-specific needs, UNDP has contributed to a draft code of ethical conduct prepared by the United Nations Secretariat. This code, which UNDP has tabled for discussion, will be the yardstick against which appropriate sanctions are determined and applied, as well as the basis from which deviations are defined.

26. The United Nations code of ethical conduct will eventually be complemented by professional guidelines for specific functions in UNDP. The Legal Section in the Office of Human Resources will be reorganized to support ethics functions and to elaborate the organization's professional guidelines and standards.

VI. COMPETENCIES

27. Competencies are the specific skills, attitudes and behaviours that characterize outstanding performance. UNDP 2001 will require core competencies that will enable UNDP to produce planned impacts for SHD, allowing the organization to more effectively support the programmes being implemented. At the individual level, expected behaviours will be included in individual performance plans and will be subject to assessment. At the programme level, annual performance contracts between regional bureaux and country offices will be prepared.

28. The core competencies highlighted in document DP/1997/16/Add.7 for UNDP 2001 focus on information, coordination, and facilitation. The accountability framework will support UNDP in developing or acquiring the capabilities and skills to achieve excellence in those areas. Professional vacancy management and performance appraisal are existing subsystems for the management of individual competency development. UNDP is now using post-based competency definitions in selecting staff for international Professional posts.

29. Competencies are also being developed for each international Professional job category, beginning with those for resident representatives (RRs) and resident coordinators (RCs). Draft RC competencies were presented to the Consultative Committee on Programme and Operational Questions in February 1997 and met with a positive response. Both RR and RC competencies are now being used for selection. UNDP will improve its approach to defining jobs, and fully install individual competency assessments in the next two years.

VII. MONITORING AND LEARNING

30. One of the objectives of UNDP 2001 is to strengthen the organization's accountability to its Executive Board, through regular reporting on performance against objectives and impacts achieved. Systems for performance-monitoring and improved learning are essential for UNDP to be able to gain awareness, accept, assess and act on external and internal knowledge. Through programme implementation, new knowledge will be created, which, in turn, will provide the basis for further organizational development, and ultimately the achievement of the organization's SHD-related goals. For UNDP 2001 to become the knowledge-based organization envisioned, it must easily engage in knowledge-sharing, the capture and dissemination of best practices and lessons learned, and networking.

A. UNDP - the learning organization

31. Information gathered must also be used to measure progress and to change and improve programmes and operations. A shift has begun at headquarters to synthesize substantive knowledge to produce both services and products across a focused range of development issues. At the subregional level, the UNDP 2001 change process proposes the creation of knowledge-based networks that can multiply, disseminate and expand knowledge. At the country level, capacities to use, adapt and build knowledge for SHD are being strengthened. Twinning and mentoring arrangements between country offices are already becoming a feature of the organization's culture.

32. UNDP is shifting from training on skills and procedures to learning as a part of daily work, in which managers guide and coach staff to learn from what they (and others) do. As one of the key components of the UNDP human resources strategy and the 1996/1997 training strategy, UNDP requires the continuous development of staff competencies to achieve its transformation into a learning organization. The objective is to have competent and motivated staff who can accomplish the organization's mission effectively and adapt to changes in the organizational direction and strategy.

33. Reaching this objective involves a shift away from training for limited groups, towards competency-based development of all staff through the decentralized delivery of learning packages, performance management and competency development. Staff will engage in continuous learning, based on clearly defined competencies and an agreed annual development plan addressing individual competency gaps as identified through the performance appraisal process.

34. UNDP has piloted competency-based learning modules and decentralized, team-based training and will significantly expand these efforts in 1997. Among its new products are a workshop for experienced RRs/RCs on alignment of competencies, management-development training for country offices, and competency-based learning modules in programme and operations for country office national staff.

B. Programme monitoring and evaluation systems

35. More vigorous monitoring by DAMR has greatly improved compliance rates for audits of nationally executed projects. Programme audits are being carried out increasingly in country offices to ensure maximum efficiency in the delivery of administrative and programme services. Programme monitoring and evaluation systems have been improved under the leadership of the Office of Evaluation and Strategic Planning (OESP). Vigorous monitoring has improved compliance rates for programme-related evaluations. The organization of regional workshops to introduce new dimensions in monitoring and evaluation has resulted in an enhanced understanding of the monitoring function and the use of monitoring instruments.

36. Since 1993, UNDP has been committed to results-oriented management and has pursued the establishment of a comprehensive system of programme performance management that aligns performance measures with the corporate mission, objectives and strategies. In 1995, PIPA was initiated as a concept and methodology for preparing and monitoring projects in a result-oriented manner. Workshops on the operationalization of the PIPA concept, involving country office staff, project managers and government officials, were conducted in 1995 and 1996.

37. Since September 1996, the exercise has been enlarged to include a study of performance measurement systems used by institutions in a range of member States. Concrete recommendations were made for establishing a performance measurement system on a phased basis. During the coming months, OESP pilot training in headquarters and 30 country offices will provide a basis for senior management decisions on programme-related performance measures currently under development.

38. With a view to strengthening the holistic oversight function of the regional bureaux, in April 1997, the Administrator assigned responsibility for the development of programme-related performance measures for: (a) country situation indicators; (b) country programme indicators; and (c) programme/project success indicators. The Administrator specified that these measures, which reflect the impact of UNDP country programmes against SHD priorities (but also include United Nations coordination), are of greatest relevance to the organization. At the corporate level, the offices assigned to develop programme performance indicators will work towards establishing performance measures for the strategic framework with regard to SHD priorities.

39. At the same time, the Administrator has assigned responsibility for the development of management-related performance measures. The Administrator envisages a rather simple set of pragmatic indicators, different from those for

programme assessment, to facilitate the systematic and transparent appraisal of country office performance from a variety of corporate angles.

VIII. SUBSYSTEM ENTRY POINTS FOR ACCOUNTABILITY

A. Assurance systems

40. DAMR is entrusted with the responsibility for oversight of the UNDP accountability system. The accountability system seeks to prevent and control misconduct and poor performance through audits, management reviews and investigations. Nonetheless, its true test lies in its ability to detect and provide an early warning of problems when they do occur. The system will provide this capability through timely information for management on the use of resources at all levels.

41. At the heart of the accountability framework's prevention efforts lies the implementation of a control risk self-assessment (CRSA) programme as a management and audit tool. The CRSA programme will provide a methodology for the establishment of criteria to control risk and enable self-assessment by managers. Managers will be able to utilize a questionnaire to determine which areas under their responsibility are at greatest risk for accountability failures, allowing them and their staff to have the opportunity to correct conditions that may lead to potential problems before the problems occur. The goal of CRSA, to prevent problems before they occur, will also eliminate some of the traditional work of the audit and enforcement systems of the organization, allowing them to focus on areas of particular concern and priority in the new UNDP.

42. UNDP proposes to train staff in the CRSA process through an extensive train-the-trainer programme, entailing the introduction and use of a customized questionnaire on key risks and controls as part of the establishment of the self-assessment process. During the second half of 1997, discussions will be held with the Executive Board and the Executive Committee to gain their participation in the CRSA programme through the elaboration of controls for governance.

43. Two components of the information subsystem that will provide detection capabilities are the Executive Information Management System (EIMS) and the Financial Information Management System (FIMS). EIMS will capture and summarize the information needed for managers to take decisions and report on operations and results. FIMS will provide comprehensive programme financial data when fully released in May 1997, allowing more timely double-checking of the expenditures at the programme delivery level. Another component of the assurance system, the Integrated Management Information System (IMIS), which tracks human resource actions, became operational at the end of 1996.

44. Tracking programme impact through programme- and management-related performance measures will provide additional levels of accountability and assurance. The creation of PMOC and MROC provides standards and reporting structures within which the performance tracking reports can be reviewed.

45. UNDP will also monitor individual performance through accountability measurement systems that provide data on actual performance against performance planned. Managers will ensure that individual staff performance indicators are in line with performance indicators for unit and office plans. Through this linkage, each staff member's performance will either directly or indirectly contribute to the achievement of the organization's goals.

B. Corrective action

46. The effectiveness of any accountability system depends on its ability to facilitate the taking of corrective actions once discrepancies in performance or conduct are uncovered. Through their oversight functions, PMOC and MROC can set in motion the processes necessary for corrective actions to take place. To do so, performance must be measured, monitored and reported on continuously at the individual, project, programme, unit and organizational levels.

47. In the UNDP of 2001, a major role of the regional bureaux will be to identify the need for such corrective action and coordinate the response. Each unit's managerial and programme performance will be monitored and assessed for its contribution to the achievement of the organization's goals and operational objectives. This process will allow for a periodic objective determination to be made about whether progress towards explicit short- and long-term objectives has been achieved.

48. Recently, subsystems for corrective action regarding individual conduct have been strengthened substantially. Under the authority of the Administrator, the Office of Human Resources issued administrative circular ADM/97/17 in March 1997, which contains important guidelines and directives on the application of the staff rules on accountability, disciplinary measures and procedures. The circular describes the formal jurisdiction of the UNDP/United Nations Population Fund (UNFPA)/United Nations Office for Project Services (UNOPS) Disciplinary Committee over financial and budgetary discipline. Gross negligence and mismanagement of UNDP resources will be dealt with as a disciplinary matter by the Disciplinary Committee. The circular also contains a clear statement of staff responsibilities, and definitions of what constitutes misconduct, particularly in terms of the violation of financial rules, instructions and procedures.

49. The circular outlines a range of measures that might be taken in cases of misconduct, including summary dismissal. It also describes the basic requirements of due process to be afforded a staff member who is the subject of an allegation of unsatisfactory conduct, including cases involving accountability issues and recovery of losses caused to UNDP property and assets. An annex to the circular defines actions and omissions in financial and budgetary matters that may lead to disciplinary action.

50. Cases of unsatisfactory conduct which have been investigated and have led to disciplinary action will be published in a circular on a semi-annual basis, beginning in late 1997. That circular will play an educational role in transmitting lessons learned from the actions taken by the UNDP Disciplinary Committee.

C. Rewards and sanctions

51. UNDP 2001 provides a context within which organizational needs and limits are being articulated more clearly as performance standards. The accountability framework provides essential systems for guidance and control in the environment of greater decentralization.

52. Specific steps are being taken to enhance current reward systems at both programme and individual levels to better support UNDP 2001 objectives. Rewards and sanctions are being elaborated and made more uniform and transparent to allow the organization to better ensure adherence to its standards. At the level of programme and operational functions, the concept of resource allocation based on strategic requirements was introduced in 1996 in conjunction with the new programming arrangements. Lessons learned from both programme performance and non-performance will be used for improvement and correction. These outcomes will be widely disseminated, and recognition programmes will be created to support the sharing of experience.

53. At the individual level, rewards for good management will be elaborated, building on the experience of annual UNDP/UNFPA/UNOPS Staff Association Management Awards during the past two years. Another option is the use of variable annual salary increments that can at present be awarded under the activities of limited duration (ALD) contract for outstanding performance. Additional systems of reward for performance consistent with the United Nations common system will be assessed for piloting for staff on core posts. The UNDP programme of non-cash recognition awards will now be generalized, and team recognition will be introduced.

54. The further elaboration of the organization's jurisprudence will provide a more complete range of modulated responses and sanctions appropriate to a wide range of situations, including inadequate managerial performance. Administrative circular ADM/97/17 represents an important step in addressing these issues, clarifying appropriate behavior and misconduct. The circular establishes that mismanagement and gross negligence can lead to disciplinary action. Investigation processes are also outlined and clear guidance on coordination given.

55. In conjunction with the introduction of performance management, training, coaching, counselling and redeployment will be emphasized more heavily as the first responses to performance problems. For more serious cases, UNDP relies on a number of tools within the existing systems of sanctions, such as the withholding of the annual salary increment for poor performance, and termination of employment after two successive unsatisfactory performance assessments.

IX. STEPS FOR IMPLEMENTATION

56. During the next eight months comprehensive measures will be taken to implement the UNDP 2001 change process. These implementation measures include an action plan for the elements of the UNDP accountability framework. This plan will be elaborated through consultations within UNDP and will be completed in

September 1997. It will include specific measures in each of the categories of the accountability framework, as well as timing and resources required for the introduction of the systems and measures. It is proposed that a report on the plan, including initial progress on its implementation, be presented to the Executive Board at its first regular session 1998.

57. It is further proposed that the elements of the action plan be piloted in selected country offices and headquarters units during 1997, in conjunction with an aggressive programme for the introduction of the CRSA process. Through periodic support and monitoring, lessons learned from these pilot efforts will be captured and widely shared.
