**Financial Accountability and Internal Controls**

1. Financial accountability is the responsibility of anyone handling resources, public office or any other position of trust, to report on and be held responsible for the intended and actual use of the resources or of the designated office. This includes ensuring transparency in the process and procedures to achieve that obligation.

1. Administrative accountability encompasses critical systems of internal control that complement and ensure the proper functioning of checks and balance, including financial ones. These include international civil service standards and incentives, ethics codes, criminal penalties, and administrative review.

1. The staff member is accountable to the Administrator for the regularity of actions taken in the course of official duties. Under the Financial Regulations UNDP’s Executive Board has given overall responsibility to the Administrator of UNDP. The Administrator has in turn developed more detailed Financial Rules in order to ensure effective financial administration and the exercise of economy.

1. The actions of each staff member are governed by these Regulations and Rules and by policies and procedures that give effect to them, and each UNDP staff member is answerable for the time spent at work and for the contribution to UNDP operations and results.

1. Transparency is a key principle underlying accountability. Duties and responsibilities should be clearly defined and staff members should be seen to accept and carry out these responsibilities.

1. The Administrator of UNDP is fully responsible and accountable to the Executive Board for all phases and aspects of UNDP's activities. In order to clearly define roles and responsibilities, Financial Regulations and Rules have been developed by the Administrator and approved by the Executive Board. In regard to any matter not specifically covered by these Regulations and Rules, the appropriate provisions of the United Nations Financial Regulations and Rules apply.

1. The Administrator has delegated powers and responsibilities to other UNDP staff, who are also governed by these Regulations and Rules. A record of such delegations is maintained by the Assistant Administrator, Bureau of Management, who is responsible for the administrative maintenance of the Regulations and Rules and for issuing such instructions or establishing such procedures as may be deemed necessary for the administration of these Regulations and Rules.

1. Note that **delegation does NOT mean abdication** of responsibility. In delegating authority, the delegator must ensure that the staff member understands the responsibilities and that s/he will be held accountable for correctly executing them. The supervisor must follow up and monitor the activities of the staff member, to ensure that the responsibilities delegated are understood and are being carried out properly. Corrective action must be taken as appropriate.

1. All staff should be fully aware of their role, any authority delegated to them, and the relevant responsibilities. Refer to the Internal Control Framework for further details, and also to the roles and responsibilities paragraphs in other sections of these Policies and Procedures.

1. The UN Staff Rules provide guidance on the required standards of efficiency, competence and integrity of staff members in discharging their responsibilities as well as guidance on disciplinary procedures that may be instituted against a staff member who fails to comply with his or her obligations and the standards of conduct set out in the Staff Regulations and Rules, the Financial Regulations and Rules and all administrative instructions.

1. Accountability, Disciplinary Measures and Procedures

1. The UNDP Legal Framework for addressing non-compliance with UN Standards of Conduct provides the Administrator’s directives on the application of Staff Regulation 10.1 and 10.2 and Chapter X of the Staff Rules relating to disciplinary procedures and measures. It includes the mechanisms and authorities for disciplinary action and outlines the basic requirements of due process to be afforded to a staff member who is the subject of an allegation of unsatisfactory conduct.

[Internal Control Framework for UNDP Offices](https://popp.undp.org/node/10966)

1. The Internal Control Framework covers key control factors such as planning, monitoring, communication, policies, procedures, segregation of duties, individual authorities and accountabilities 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;
   * Facilitate compliance with applicable laws, regulations and internal policies.

1. The Framework contents include:
   * Definition of key roles;
   * Segregation of duties ;
   * Authorities, responsibilities and accountabilities of each role;
   * Transactions requested by others;
   * Overview of internal control factors for procurement, human resources/payroll and project budget formulation.

Instructions

1. Bureau and Division Heads oversee the preparation and distribution of more detailed operating procedures and instructions to give effect to the Financial Regulations and Rules. These Policies and Procedure are one example.

1. The Administrator has delegated financial authority to the Chief Procurement Officer, Comptroller and Director of Budget. In turn some of these authorities have been delegated to heads of offices, who in turn can recommend that these authorities be vested in other staff. Procedures and instructions inform staff in more detail about their responsibilities. All staff should be familiar with the policies and procedures that cover their own roles and responsibilities.

1. As stated above under Regulation 4.01, the Office of Audit and Investigation is responsible for the internal audit of UNDP and under Rule 104.03 states that OAI shall have free access to the organization’s records, personnel and premises, as necessary, in its opinion, for the performance of its duties..

1. Under Rule 104.01 The Office of Audit and Investigations shall evaluate the adequacy and effectiveness of governance, risk management and control processes regarding:

* + 1. Reliability and integrity of financial and other information;
    2. Effectiveness and efficiency of operations;
    3. Safeguarding of assets; and
    4. Compliance with legislative mandates, regulations, rules, policies and procedures.

1. All staff are to cooperate fully with the External Audit team, providing requested material and responses to audit comments as appropriate – see Financial Resources Management, Working with External Auditors, in the present Policies and Procedures.