

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



*Empowered lives.
Resilient nations.*

PERFORMANCE AUDIT

OF

REGIONAL BUREAU FOR ASIA AND THE PACIFIC

Report No. 1840

Issue Date: 3 August 2017

Table of Contents

Executive Summary	i
I. About the Office	1
II. Audit results	3
A. Is RBAP adequately organized to guide and support the work of Country Offices in delivering on their commitments with programme countries?	4
B. Is the Regional Programme managed effectively?	7
C. To what extent does RBAP, as head of Regional UNDG in the region, effectively contribute to UN reform and coordination efforts by supporting the UN Resident Coordinator system in the region for greater coherence and harmonization of UNCTs?	11
D. Are operations performed in compliance with UNDP policies and procedures?	11
Definitions of audit terms - ratings and priorities	12

Report on the Performance Audit of UNDP Bureau for Asia and the Pacific Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a performance audit of the Regional Bureau for Asia and the Pacific (RBAP) from 24 April to 9 June 2017. Performance auditing is an independent examination of an entity to assess whether the entity is achieving economy, efficiency and results in the employment of available resources.

The audit aimed to assess to which extent RBAP was effectively carrying out its key functions, and was contributing to supporting countries achieving eradication of poverty and a significant reduction of inequalities and exclusion.

The following questions guided the work of the audit in responding to the main audit objective:

1. Is RBAP adequately organized to guide and support the work of Country Offices in delivering on their commitments with programme countries?
2. Is the Regional Programme managed effectively?
3. To what extent does RBAP, as head of the United Nations Development Group (UNDG) in the region, effectively contribute to UN reform and coordination efforts by supporting the UN Resident Coordinator system in the region?
4. Are operations performed in compliance with UNDP policies and procedures?

The audit covered the activities of RBAP from 1 January 2016 to 31 March 2017. RBAP was last audited in 2012.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Overall audit rating

OAI assessed the operation of RBAP as **satisfactory**, which means, "The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area."

Key recommendations: Total = 6, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are seven medium (important) priority recommendations, which means, "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP."

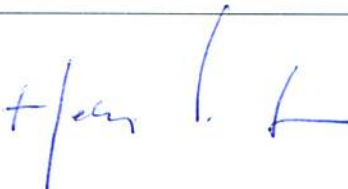
The seven recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization's strategic objectives	4, 5, 6	Medium
Effectiveness and efficiency of operations	1,2,3	Medium

Management comments and action plan

The Director of RBAP, and the Deputy Assistant Administrator, Deputy Director and Chief Finance Officer (Bureau for Management Services), accepted all of the recommendations and are in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

Low priority issues (not included in this report) have been discussed directly with management and actions have been initiated to address them.

A handwritten signature in blue ink, appearing to read 'Helge S. Osttveiten', is enclosed within a rectangular box.

Helge S. Osttveiten
Director
Office of Audit and Investigations

I. About the Office

UNDP has been operating in Asia and the Pacific since the founding of the organization in 1966. It supports 35 countries and territories, through 24 offices in the region and through one Regional Hub located in Bangkok.

Structure

The Regional Bureau for Asia and the Pacific (RBAP) has four divisions:

- (i) **Directorate:** The Directorate is located in both New York and in the Bangkok Regional Hub, it is responsible for the overall strategic vision and guidance of the Bureau. The Directorate manages and/or directs regional programmes and country operations in the region.
- (ii) **Strategic Planning and Oversight Team (based in New York):** The team is responsible for: (a) strategic planning and positioning; (b) managing for development results; (c) analysis & reporting; (d) partnerships, and (e) learning & development.
- (iii) **Country Office Liaison and Coordination Team (based in New York):** The team engages in international development fora. It provides advice to key stakeholders on UNDP's position and interventions in the region, and it liaises with and/or represents Country Offices in Headquarters based inter-agency task forces, committees, initiatives and crisis mechanisms.
- (iv) **Bangkok Regional Hub:** The Bangkok Regional Hub is structured as follows: (1) Directorate; (2) Country Office Support and Quality Assurance Team; (3) Transactional Services Team; and (4) Regional Policy and Programme Support Team. The team is headed by the Deputy Regional Director and it provides management and leadership support at the regional level and is also responsible for the Regional Programme Management. It provides support and quality assurance management to Country Offices. It is also responsible for the UN System Coordination and Partnerships.

RBAP is also responsible for implementing the Regional Programme, which is aligned with the 'UNDP Strategic Plan 2014-2017' (DP/2013/40), and has the following key priorities:

- Eradication of poverty and significant reduction of inequalities and exclusion.
- Reducing the exclusion of specific population groups and promoting gender equality and women's empowerment.
- National and regional ownership and capacity.

The available resources for RBAP and its 24 country offices amounted to \$1.7 billion, and the total delivery for the entire region in 2016 amounted to \$1 billion. The total number of staff was 60, which included 15 staff in New York and 45 staff in Bangkok.

A. Audit objectives

The audit assessed the extent to which RBAP was effectively carrying out its key functions, and contributing to supporting countries to achieve, simultaneously, the eradication of poverty and the significant reduction of inequalities and exclusion.

The audit answered the following questions:

1. Is RBAP adequately organized to guide and support the work of Country Offices in delivering on their commitments with programme countries?
2. Is the Regional Programme managed effectively?
3. To what extent does RBAP, as head of the Regional United Nations Development Group (UNDG) in the region, effectively contribute to UN reform and coordination efforts by supporting the UN Resident Coordinator system in the region?
4. Are operations performed in compliance with UNDP's policies and procedures?

B. Audit methodology

The audit mainly built on document reviews and on interviews.

Question 1 was addressed through a review of the RBAP terms of reference, organization chart, and job descriptions of key staff. This was complemented by interviews with key staff from RBAP in Headquarters and in the Regional Hub, as well as in 11 Country Offices selected for the review. In addition, a systematic review of the resources available for Country Office support was undertaken, as well as an analysis of the feedback provided by Country Offices on various surveys that were available to the audit team from the Institutional Effectiveness assessment completed in January 2017. Review of various documents was also conducted, including back-to-office reports, 2015 and 2016 Results Oriented Annual Reports, minutes of the management team meetings for 2016, Bureau and Country Offices annual workplans, progress reports, risk logs, and briefing notes.

Question 2 was addressed through analysis of the Regional Programme Document, project documents, and monitoring reports. Reported results including the quality assurance process were reviewed, analyzed and compared to the Regional Programme Document. Minutes of outcome and project boards were also reviewed. This was complemented with interviews with, *inter alia*, the programme coordinator, and the hub manager from RBAP, and other staff from 11 Country Offices of the region.

Question 3 was assessed through reviews of minutes of UNDG Regional Director meetings, documentation on the Peer Support Group review of United Nations Development Assistance Frameworks, records of the status of the implementation of the Standard Operating Procedures (SOPs) of Delivering as One and Harmonized Approach to Cash Transfer (HACT) readiness of Country Offices in the region. It was complemented by interviews with key RBAP staff from a sample of 10 Country Offices in the region as well as interviews with two United Nations agencies operating in Bangkok.

Question 4 was addressed through a review of a sample of recruitment, payments and procurement cases for compliance with UNDP policies and procedures. The samples were selected from both RBAP in New York and the Bangkok Regional Hub. The audit also reviewed general administration procedures.

C. Audit criteria

The main audit criteria for this performance audit were the 'UNDP Strategic Plan 2014-2017', the Programme Document for the Regional Programme for Asia and the Pacific and the 'UNDP Corporate Accountability Framework'. The 'UNDP Programme and Operations Policies and Procedures' were used as a specific audit criterion where relevant.

These are the criteria for the various audit questions:

1. RBAP organization to guide and monitor the work of Country Offices

To fulfil the Bureau's accountabilities as specified in the 'UNDP Corporate Accountability Framework' Bureau Directors are required to be explicit on the expectations and functional responsibilities with their leadership teams. Per RBAP Terms of Reference, the Directorate is responsible for the overall strategic vision and guidance of the Bureau, and directs and manages regional programme and country operations of the region to achieve performance targets and objectives. UNDP Regional Bureaux, including Regional Hubs are responsible for oversight and to support country offices in achievement of country-level results.

2. Regional Programme

The 'UNDP Strategic Plan 2014-2017' aims at higher quality programmes, through better project planning, design, monitoring, evaluation and (result-based) management. To achieve this, UNDP developed quality criteria which Regional Bureaux and Country Offices need to adhere to.

3. UN Coordination

Per the RBAP terms of reference, the Bureau is required to fulfill their coordination responsibilities.

4. Operations – Compliance with UNDP Regulations and Rules

The 'UNDP Programme and Operations Policies and Procedures'.

II. **Audit results**

OAI made six recommendations ranked medium (important) priority.

Low priority issues/recommendations were discussed directly and agreed with the Bureau and are not included in this report.

Medium priority recommendations, arranged according to significance:

- (a) Improve the design of the next Regional Programme (Recommendation 4).
- (b) Improve the monitoring of the Regional Programme (Recommendation 5).
- (c) Improve performance on the gender-related outputs and the Gender Marker (Recommendation 6).
- (d) Update offices on the current clustering process and agree on the rollout (Recommendation 1).
- (e) Use COSMOS¹ to track all support and advisory services provided (Recommendation 3).
- (f) Issue guidance on operational financial management oversight procedures (Recommendation 2).

The detailed assessment is presented below, per audit area:

¹ Country Office Service Management Operating System

A. Is RBAP adequately organized to guide and support the work of Country Offices in delivering on their commitments with programme countries?

Overall, the audit concluded that the organizational structure and governance mechanisms of RBAP were established and functioning, therefore these are likely to support Country Offices in delivering upon their agreements with the programme countries.

RBAP's vision, mandate, objectives, and challenges were shared with Country Offices staff across the region, thus creating a sense of belonging, and of common purpose.

Innovation was emphasized in all actions and projects to ensure that UNDP stays relevant for the countries in the region.

Available core resources were used as a catalyst for generating a strong projects pipeline. RBAP established an Innovation and Programme Development Fund intended for investment in supporting UNDP positioning for the implementation of Agenda 2030. The Bureau supported Country Offices to develop proposals that led to mobilizing \$220 million from the Green Climate Fund (the largest of any Regional Bureau in UNDP) in 2016, with \$462 million in the pipeline.

New partnerships were explored and/or strengthened with the private sector and International Financial Institutions. The Bureau successfully expanded the number of countries with a government co-financing agreement from 4 to 18. It managed to increase the delivery volume of government co-financing from \$28 million to \$163 million at the end of 2016, with a target of \$247 million by the end of 2017.

The 11 Country Offices interviewed agreed that support from RBAP and the Regional Hub was timely, relevant, and of good quality. Offices valued the planning calls, the annual planning discussions as well as their regular interactions with the Desk Officers and other managers who were helpful in addressing the challenges faced by Country Offices but also in explaining all new policies and corporate tools. Further, Country Offices interviewed were unanimous in appreciating the work done in terms of advancing the youth agenda and knowledge management.

Issue 1 Need for better communication to ensure a smooth clustering process

The 'UNDP Corporate Accountability Framework' underscores the importance of clear elements of stakeholders and managerial accountability. These should be discharged through a precise articulation of roles, responsibilities and authorities. There is an expectation for the Bureaux Directors to be explicit on the expectations and functional responsibilities of their leadership teams to meet the Bureaux accountability requirements, as specified in the 'UNDP Corporate Accountability Framework'.

RBAP agreed with BMS to cluster various finance processes for all 24 Country Offices in the Global Shared Services Unit in Kuala Lumpur, Malaysia (GSSU). This included Bank Reconciliation (B2B), Deposit Creation & Application, Voucher Creation & Approval, Vendor Creation & Approval, and Local Payroll (Finance) – Global Payroll Administrator (GPA) role.

This process started with four Country Offices, namely Malaysia, Samoa, Bhutan, and the Maldives, in May 2016. Starting 2017, RBAP agreed to roll out the clustering process to the remaining Country Offices in the region.

The audit team's discussions with all 11 Country Offices selected for review showed that the communication on this process needed improvement. Offices indicated that the process entailed a lot of back and forth emails for

enquiries and clarification, in addition to separate emails for approvals; offices were not clear about the efficiency gains that were advertised as part of the process. A lot of time was spent on scanning documents and entering key information in the interface developed for the vouchers. In some instances, supporting documents had to be translated, adding to the burden on the already-limited capacity within Country Offices. Two offices indicated that some finance staff who had undergone specialized finance certification and training were demotivated since their roles were limited to scanning or copying documents. Three Country Offices interviewed indicated that more communication on the process was necessary to avoid any mishaps or staff demotivation, and negative impact on the offices' delivery.

Priority	Medium (Important)
Recommendation 1:	
The Regional Bureau for Asia and the Pacific, in full coordination with the Bureau for Management Services, should update offices on the current clustering process and agree with Country Offices on a phased approach for the rollout of the clustering actions taking into consideration all feedback/challenges that Country Offices are facing.	
Management action plan:	
The Regional Bureau for Asia and the Pacific agreed with the recommendation. The financial clustering initiative is rolled out in the Bureau's offices, while the implementation plan and corresponding human and financial resources are managed by the Bureau for Management Services. Hence, the Regional Bureau for Asia and the Pacific will need to work with the Bureau for Management Services to address the challenges.	
Estimated completion date: October 2017	

Issue 2 Bureau's oversight role needs to be aligned to the 'UNDP Corporate Accountability Framework'

The issues of Country Office oversight and division of responsibilities between Bureaux and BMS Office of Financial Resources Management (OFRM) were discussed and addressed during the update of the 'UNDP Corporate Accountability Framework' operations section, which was completed after the restructuring of BMS and was approved by the Executive Group in January 2016. From then onwards, all Country Offices financial oversight sat with the Regional Bureaux. Financial oversight of the organization as a whole rested with BMS, including areas such as financial advisory guidance, monitoring, analysis, and coordination of audits.

Subsequently, BMS/OFRM developed, in July 2016, additional detailed guidance on operationalizing these accountabilities. The guidance lists all Country Office financial monitoring and financial oversight roles that have been transferred to the Bureaux and to the Regional Hubs. When discussed with RBAP staff, they indicated that they were not aware of the above guidance, and that no official communication had been sent to them. BMS/OFRM management indicated that the guidance was finalized and shared with the Executive Office for review and approval; however, no further dissemination was done.

If the oversight guidance is not formally communicated by BMS and agreed with the Regional Bureaux, there is a risk that there will be an oversight gap and lack of accountability if errors occur.

Priority	Medium (Important)
Recommendation 2:	
The Bureau for Management Services/Office of Financial Resources Management should issue the guidance on operational financial management oversight procedures.	
Management action plan:	
The Bureau for Management Services agreed with the audit recommendation and will implement it.	
Furthermore, the Regional Bureau for Asia and the Pacific indicated that it will strengthen oversight functions. Revisions will require clarification of roles and responsibilities, including capacities required, from the Bureau for Policy and Programme Support and the Bureau for Management Services to all Regional Bureaux in this regard.	
Estimated completion date: March 2018	

Issue 3 Limited usage of COSMOS to track operational and programmatic support to Country Offices

The Country Office Service Management Operating System (COSMOS) is the single organization-wide platform used to record, manage, and analyse how advisory services are delivered across UNDP

RBAP started using COSMOS in 2016 in the context of providing support to Country Offices. However, its usage was not universal as some of the support continued to be provided outside COSMOS. Even when it was used, it was difficult to estimate the time taken to complete a task, as COSMOS does not include time recording. Policy Advisors were thus using a separate time-tracking system to monitor their support to Country Offices. For operational support, the Results Based Management, Communication, and Partnerships teams were not using the system, even though all requests should have been reflected in COSMOS.

RBAP as well as Country Offices interviewed indicated that COSMOS was difficult to use and that the proforma cost for support was high. RBAP further indicated that, for feedback on the quality of support, it also relied on feedback received during the programme board and other meetings with Resident Representatives.

Limited usage of COSMOS may lead to insufficient tracking of support provided to Country Offices and reduces the opportunity for cost recovery, which will then impact the financial sustainability of RBAP.

Priority	Medium (Important)
Recommendation 3:	
The Regional Bureau for Asia and the Pacific should use COSMOS to track all support and advisory services provided to Country Offices.	
Management action plan:	

The Regional Bureau for Asia and the Pacific agreed with the recommendation, which will be implemented throughout the year.

Estimated completion date: December 2017

B. Is the Regional Programme managed effectively?

The Regional Programme was being managed effectively. This was evidenced by its governance structure, ability to raise funds and the likelihood of achieving most of the planned outputs.

The Regional Programme was managed through two parallel umbrella projects, one for Asia and the Pacific, which was managed by the Regional Hub, and the other one for the Pacific, which was managed by the Pacific Office in Fiji. This was done to cater to the unique characteristics of the Pacific region. The umbrella projects were operationalized through regional projects set up to achieve the established outcomes. Both projects had an Outcome Board, which comprised governments, donors, Country Offices and other UN agency representatives. There was also an Advisory Board for the Regional Programme. Its membership was internal to UNDP and it included representatives from other central bureaux, for example, the Bureau for Policy and Programme Support, the Bureau for External Relations and Advocacy, BMS and the Crisis Response Unit. The boards discussed the progress of the implementation of the Regional Programme and were consulted on the design of the Regional Programme.

In 2016, core resources for the Regional Programme were 14 percent of total resources (\$2.7 million core and \$16.3 million non-core). Although the Regional Programme did not have a resource mobilization strategy, key regional partnerships were tracked and an action plan for the partnership with the European Union had been prepared by the Bureau. The Regional Programme was mostly successful in its fundraising efforts and had managed to diversify its resource base. This was evidenced by the fact that, even though core resources had shrunk (from 38 percent in 2013 to 14 percent in 2016), the Regional Programme was able to increase its non-core resources from \$5.79 million in 2013 to over \$16 million in 2016. However, it faced challenges in raising funds specific to gender and rule of law in the Pacific and as a result, some outputs relating to gender (Asia and the Pacific) and rule of law (Pacific) were not likely to be achieved.

Monitoring for the umbrella projects was done by the Regional Hub (for the Asia and the Pacific umbrella project) and the Pacific Office (for the Pacific umbrella project). In 2016, there were no staff dedicated to the monitoring and evaluation of the Regional Programme at the Regional Hub. Two staff, one at the P3 level and one at the NOB level were recruited in 2017. For the Pacific Office², an Integrated Results Management Unit was set up in 2016. At the time of audit, there was no consolidation of the results of the two umbrella projects to get a view of the overall results for the Regional Programme.

Issue 4 Weaknesses in the design of the Regional Programme

According to the 'UNDP Programme and Operations Policies and Procedures' all outcomes and outputs contained in a country programme must have indicators. Baseline data and targets are required for each outcome and output indicator. Establishing a baseline requires an assessment of the current status of the indicator. Target setting is based on consideration of the degree of change that is realistically achievable in a

² The Pacific Office is located in Suva, Fiji and is the result of the merger in March 2016 of the UNDP Multi Country Office in Fiji and the UNDP Pacific Centre (based in Suva, Fiji).

given time period. It depends on assumptions about resources, effectiveness, time frame of policy deliberations, risks and the like, and should be established and agreed jointly by all relevant stakeholders.

The Regional Programme's Results and Resource Framework did not contain baselines, targets and sources of data for the programme's outcomes. Therefore, from the onset of the Programme, it was not clear on what basis progress would be measured, where data would be collected, and what would constitute the achievement of the outputs. Management indicated that, at the time that the Regional Programme was designed, corporate guidance required that outcomes be copied verbatim from the Strategic Plan.

At the time of audit, RBAP was working on the new Regional Programme Document based on the corporate guidelines. The outline had been endorsed by the Advisory Board. The Regional Programme Document did not include a Theory of Change for each of the outcomes. The intention was to submit the full Regional Programme Document in September 2017 for consideration at the January 2018 Executive Board.

Without specific outcomes, it is difficult to measure performance. Non-involvement of Country Offices may result in projects not meeting country needs.

Priority	Medium (Important)
Recommendation 4:	
The Regional Bureau for Asia and the Pacific should improve the design of the next Regional Programme by:	
<ul style="list-style-type: none"> (a) defining baselines, targets and sources of data for the new Regional Programme at the design stage; (b) developing SMART indicators; and (c) developing explicit theories of change for each outcome area. 	
Management action plan:	
The Regional Bureau for Asia and the Pacific agreed with the recommendation. The new Regional Programme Document (2018-21) design will take into account these recommendations.	
The new Regional Programme Document Results and Resources Framework will take its cue from the new Strategic Plan Integrated Results and Resources Framework to develop regionally specific SMART indicators for effective tracking of results.	
Estimated completion date: March 2018	

Issue 5 Weaknesses in the monitoring of the Regional Programme

From 2016 all projects should be quality assured unless they are exempted. The Quality Assurance Assessor and Approver should ensure that quality assessments are effectively conducted with complete, objective, and accurate information. In order to be complete, the Quality Assurance requires a write-up to support the quality rating and supporting evidence that should be uploaded in the Corporate Planning System. Projects should be quality assured in all stages of their lifecycle, i.e., planning, implementation and closure.

RBAP reported that the umbrella project, Advancing Inclusive and Sustainable Human Development in Asia and the Pacific was quality assured; however, this was not the case as the quality assurance only referred to a sub-

project (Governance of Climate Finance and Development Finance, Project No. 92193). The audit also reviewed the quality assurance process of the 20 sub-projects feeding into the results framework of the Advancing Inclusive and Sustainable Human Development in Asia and the Pacific project and noted the following:

- Of the 20 projects, 12 were reported as active. These projects were not quality assured although it was a corporate requirement. No explanation was provided in the Corporate Planning System for the lack of quality assurance of these projects.
- Two projects had started in 2016 and 2017 (Project Nos. 97996 and 100885) and should have been quality assured prior to their appraisal, but there was no evidence that this had taken place. Instead, they were incorrectly assured for the implementation phase, which should have taken place at least a year after the start of the projects.
- For the eight projects that were quality assured, the process was not fully completed. More specifically, none of the quality assurance information uploaded was fully evidenced, with specific supporting documentation. In two cases, quality ratings did not seem to be correct, as evidence was contradicting statements made in the write-up section. In two other cases, the evidence had not been collected recently, as required.

Interviews conducted with staff indicated that the lack of quality assurance could have been caused by time constraints. Further, the quality assurance process was only introduced in 2016 and RBAP indicated that more guidance was expected from the Bureau for Policy and Programme Support in 2017 on conducting project quality assurance.

If the result of quality assurance is not fully evidenced, the correctness of the quality statement cannot be independently verified, and incomplete quality statements may result in missed opportunities for learning and enhancing the quality of projects.

Priority	Medium (Important)
Recommendation 5:	
The Regional Bureau for Asia and the Pacific should improve the monitoring of the Regional Programme by completing the quality assurance process for all regional projects and ensuring that the evidence presented in the Corporate Planning System justifies the quality assurance rating for the regional projects is specific.	
Management action plan:	
The Regional Bureau for Asia and the Pacific agreed with the recommendation and will implement the actions with the corporate guidance provided by the Executive Office.	
Estimated completion date: December 2017	

Issue 6 Gender indicator target not likely to be achieved

According to the 'UNDP Gender Strategy', the promotion of gender equality and the empowerment of women are central to the mandate of UNDP and intrinsic to its development approach.

The UNDP Gender Marker is a corporate monitoring tool used to track the financial investments to advance or contribute to the achievement of gender equality and the empowerment of women.

Three indicators related to gender were not likely to be achieved by the end of the current Regional Programme cycle as a result of lack of financial and/or human resources, as follows: (i) number of countries that have laws and policies in place to secure women's participation in decision making; (ii) number of countries with policy and regulatory frameworks for mainstreaming gender in political parties; and (iii) number of countries with mechanisms in place to collect, disseminate gender-aggregated data and gender statistics and apply gender analysis. The Regional Programme faced challenges in raising funds specific for gender activities. RBAP indicated that they would make available additional funds to contribute to gender results in 2017 and that gender would be integrated in all new projects as opposed to being stand-alone projects.

In response to the draft report, management indicated that resource mobilization for the next Regional Programme had already begun and a governance of climate finance project, which explicitly included issues of gender, was funded at \$10 million.

The audit also reviewed the 'Partners for Prevention' Regional Joint Project for the prevention of violence against women and girls. The audit noted that the project had not been successful in raising the required funding. It raised \$2.6 million out of a budget of \$9.8 million. The project was implemented jointly by UNDP, UNFPA, UN Women and UNV.

The Bureau had low overall Gender Marker ratings meaning that RBAP's contribution to gender equality may be limited.

There is a risk that UNDP may not sufficiently contribute to the achievement of gender equality and/or the empowerment of women in the region, due to this situation.

Priority	Medium (Important)
Recommendation 6: The Regional Bureau for Asia and the Pacific should improve performance on the gender-related outputs and the Gender Markers by: <ul style="list-style-type: none"> (a) screening all regional projects for gender as part of the appraisal process; and (b) including in the resource mobilization strategy for the next Regional Programme an action plan to raise funding for gender-related outputs. 	
Management action plan: The Regional Bureau for Asia and the Pacific agreed with the recommendation. <ul style="list-style-type: none"> (a) All recent regional projects, including youth empowerment, governance of climate finance, were closely screened for appropriate gender integration as part of the appraisal process. All forthcoming regional projects will continue to be screened for gender integration by Regional Gender Advisor as part of the appraisal process. (b) The next Regional Programme will develop a dedicated Resource Mobilization Strategy by the end of 2017. The Strategy will ensure targeted donor consultations will be undertaken to enable gender-related results to be financed in the new programme cycle. 	
Estimated completion date: December 2017	

C. To what extent does RBAP, as head of Regional undg in the region, effectively contribute to UN reform and coordination efforts by supporting the UN Resident Coordinator system in the region for greater coherence and harmonization of UNCT (United Nations Country Team)?

UNDP was active in promoting further coordination and reform and supporting the UNCT in capacity as the undg lead in Asia Pacific. The undg held regular meetings and workshops on a number of areas, including Delivering as One standards, finance, communication and coordination troubleshooting. UN agencies interviewed during the audit provided positive feedback on UNDP's work in the undg.

D. Are operations performed in compliance with UNDP policies and procedures?

RBAP operations (finance, human resources, procurement and general administration) were overall in compliance with UNDP policies and procedures, and well controlled.

The Transactions Services Team (TST) in the RBAP Regional Hub provided operational support to the Hub, to the Thailand Country Office as well as to other UN agencies. Data provided by RBAP's Service Center on Demand (SCOD) system used by TST clients to request services, showed a total of 18,253 requests in 2016, broken down into finance (59 percent), administration (19 percent), procurement (15 percent), human resources (4 percent) and registry (2 percent).

Minor weaknesses were observed in the way TST measured and communicated its operating procedures and service levels with clients, capacity of the procurement team and performance management, mandatory training, travel and accounting of TRAC resources. However, these were either addressed during the audit or related to non-reportable, low-priority issues that were discussed with RBAP but not raised in this report.

Definitions of audit terms - ratings and priorities

A. AUDIT RATINGS

- **Satisfactory** The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.
- **Partially Satisfactory / Some Improvement Needed** The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.
- **Partially Satisfactory / Major Improvement Needed** The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
- **Unsatisfactory** The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.

B. PRIORITIES OF AUDIT RECOMMENDATIONS

- **High (Critical)** Prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP.
- **Medium (Important)** Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.
- **Low** Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.