UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations

PERFORMANCE AUDIT

OF

ENABLING RESPONSIVE, COHERENT AND INCLUSIVE SUPPORT TO THE

IMPLEMENTATION OF THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT PROJECT

Report No. 1999

Issue Date: 11 October 2018

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Report on the Performance Audit of Enabling Responsive, Coherent and Inclusive Support to the Implementation of the 2030 Agenda for Sustainable Development Project
Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a performance audit of Enabling Responsive, Coherent and Inclusive Support to the Implementation of the 2030 Agenda for Sustainable Development Project (the Project) from 18 June to 15 August 2018. Performance auditing is an independent examination of an entity to assess whether the entity is achieving economy, efficiency, and effectiveness in the employment of available resources.

The audit objective was to assess the extent to which the Project has effectively responded to demand from countries to support governments in the implementation of the 2030 Agenda for Sustainable Development. The audit covered the activities of the Project from 1 January 2017 to 30 April 2018. The Project recorded expenses of approximately $12.5 million in 2016 and 2017. This was the first audit of the Project.

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

Overall audit rating

OAI assessed the Project 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 = **4**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There are four 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." These recommendations include actions to address the following: project outputs and activities not being well defined; lapses in monitoring and reporting; insufficient resource mobilization; and direct project costs not being fully recovered.

The four recommendations aim to ensure the following:

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

Management comments and action plan

The Assistant Administrator and Director of the Bureau for Policy and Programme Support accepted all four recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

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

Helge S. Osttveiten
Director
Office of Audit and Investigations

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I. About the Project

The Project, implemented by the Bureau for Policy and Programme Support (the Office), was designed to respond to government requests for support in the implementation of the 2030 Agenda for Sustainable Development. The Project sought to operationalize the 2030 Agenda and aimed to apply MAPS (Mainstreaming, Acceleration and Policy Support) methodology, adopted by the UN Development Group (UNDG) in October 2015 as a common approach to support the implementation of the 2030 Agenda.

- "Mainstreaming" means landing the 2030 Agenda for Sustainable Development at the national and local levels, and integrating it into national, sub-national, and local plans for development and subsequently into budget allocations.

- "Acceleration" refers to targeting national resources at priority areas identified in the mainstreaming process, paying special attention to synergies and trade-offs across sectors.

- "Policy Support" is about making sure that the skills and expertise in the UN development system is made available in a timely way and at the lowest cost possible.

The Project aimed to support the roll-out of MAPS through the UN Country Teams, the provision of Sustainable Development Goal (SDG) coordination, and analytical and advisory functions from UNDP Headquarters, Regional Bureaux and Global Policy Centres. The Project had activities, deliverables and results at the global level (e.g., inter-agency coordination, global research, advocacy and public engagement, knowledge generation and exchange, south-south and triangular cooperation), as well as components for regional support and country support.

The Project may be impacted in the future by the UN reform, implementation of the UNDP Strategic Plan and the result of the review of the Bureau for Policy and Programme Support, which was in progress at the time of the audit.

A. Audit objectives

The audit objective was to assess the extent to which the Project has effectively responded to demand from countries to support governments in the implementation of the 2030 Agenda for Sustainable Development.

The audit answered the following questions:

1. Were governance arrangements in place for the effective implementation of the Project?
2. Were the project outputs achieved or likely to be achieved?

B. Audit methodology

The audit mainly built on document reviews, interviews, and written inquiries.

Question 1 was addressed through a systematic review of the Project Document, management structure, and selection criteria for Country Offices/governments that are assisted with SDG implementation. This was complemented with interviews with key staff.

Question 2 was addressed through analysis of the Project Document, and monitoring reports. This was complemented with interviews with project staff.

C. Audit criteria

Question 1: W*ere governance arrangements in place for the effective implementation of the Project?*

According to the Project Document, at the strategic level, the Project Manager reports to the Project Board, which comprises the Director for Strategic Policy and Director for Sustainable Development, the Director for SDG Action Campaign, and representatives from the Office, the Bureau for External Relations and Advocacy, the Crisis Response Unit, the UN Development Operations Coordination Office, Regional Bureaux, and major donors of the Project. UNDP's engagement at national and regional levels demands close liaison with Regional Bureaux, to ensure the quality and timeliness of implementation at the country level and reporting on the results achieved.

As per output 1 in the revised Project Document, governments are responsible for identifying activities for mainstreaming. The Project Document also identifies governments as one of the key stakeholders of the Project. Other stakeholders include the private sector, local government, civil society, regional government groups and academia.

For output 3, per the standard operating procedures, the criteria for country selection include a 'strong' engagement from the Resident Coordinator and UN Country Team as well as a set of 'strategic entry points' such as the country formulating a new or mid-term development plan, the country undertaking other assessments (financial, vulnerability, etc.), the country going through a new Common Country Assessment/United Nations Development Assistance Framework process and the country being strongly committed to SDG follow up and review.

Question 2: Were the project outputs achieved or likely to be achieved?

According to the 'UNDP Programme and Operations Policies and Procedures', each indicator must have a baseline and realistic target to measure and clearly communicate expected results agreed jointly with partners. Where applicable, annual milestones are set to track progress on the output and facilitate annual reporting. Planning for monitoring is done during project formulation, and related documents must:

- Identify clear and consistent results (i.e., outcomes and outputs).
- Establish clear results-based indicators to measure if a result has been achieved and ensure the data source and frequency of all indicators are established, along with baselines and targets. National data sources should be used where available and practical.
- Ensure that monitoring activities are scheduled, and responsibilities are assigned, taking into account that project monitoring has to inform and be informed by overall monitoring processes, such as the United Nations Development Assistance Framework annual review process and/or national results management processes, such as outcome groups and sector-wide arrangements.
- Ensure risks are identified, and risk management measures planned and budgeted for to inform decision-making.
- Ensure that monitoring evidence will reliably inform periodic reassessment and validation of the related Theory of Change to understand whether the project outputs remain relevant to achieving the corresponding country programme outcome.
- Capture lessons learned on what worked and what didn't work and explain how data and information generated by project implementation was used to adjust the project course or eventually inform other interventions.

A Project Document can be approved based on the financing plan; not all project funding needs to be committed or available at the start of a project. If adequate resources are not available to fully fund the project,

the multi-year work plan must be clearly prioritized, indicating which outputs and/or activities will be funded first with resources available at the time of signing the Project Document. A resource mobilization and communications plan must be developed and included in the relevant sections of the Project Document. This includes an indication of priorities and mitigation measures if needed resources do not materialize.

II.   Audit results

The Project achieved major breakthroughs in moving the SDG agenda forward, including:

-   Providing a solid foundation and capacities for understanding the MAPS methodology that had been adopted by the UNDG, and to explore what this meant in action at the country level (through guidance, capacity development and MAPS missions).
-   Prototyping and scaling up an innovative way of bringing UN agencies together to deliver coordinated support, starting with UNDP and slowly building up to 27 UN entities and other partners.
-   Building a solid foundation of UNDP contributions to the arena of SDG support.
-   Establishing UNDP relationships with other key UN agencies as inputs to initiatives such as the Joint Fund for the 2030 Agenda.

OAI made four recommendations ranked medium (important) priority.

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

Medium priority recommendations, arranged according to significance:
(a) Establish well-defined outputs and activities (Recommendation 1).
(b) Strengthen resource mobilization initiatives (Recommendation 3).
(c) Improve project monitoring and reporting (Recommendation 2).
(d) Recover direct costs incurred in the implementation of the Project (Recommendation 4).

The detailed assessment is presented below, per audit area:

A.   Were governance arrangements in place for the effective implementation of the Project?

Key project governance arrangements, such as establishing the Project Board with members from across UNDP, were in place.

The Project Document outlined the composition of the Project's organization structure. However, roles and responsibilities, other than those of the Co-Executives, were not defined. This included the Project Manager role and the Project Assurance role. Additionally, terms of reference for four of the seven staff members funded by the Project were outdated and/or still in draft form.

In terms of the processes for selecting and prioritizing project activities, most activities were demand-driven. The standard operating procedures were being updated in 2018 and were yet to be finalized. Feedback from Regional Bureaux showed they were not initially involved in the selection and prioritization of activities. However, they indicated that there was improvement as the Regional Bureaux had an increased say in areas such as the selection of countries and areas for project activities.

In terms of coordination with other UN agencies, the agencies were not members of the Project Board, which according to the Office was needed to maintain flexibility in the management of the Project. At the time of the

audit, other UN agencies had been involved in 31 of the 41 MAPS missions though UNDP was leading all of the missions. The Office indicated that an SDG Task Team on Integrated Policy Support had been set up under the United Nations-SDG (key deliverable and working arrangements were still in draft form at the time of the audit) and the Office explained that this would be the best forum to bring the various UN agencies together on the direction of the Project rather than offering the agencies membership on the Project Board.

The Office had also succeeded in bringing together UN agencies through areas such as tools & data and knowledge products. This was also confirmed by two UN agencies that were interviewed as part of the audit. In addition, a decision had been taken to invite the two main donors to the Project Board. No reportable issues were identified.

B.   Were the project outputs achieved or likely to be achieved?

The Project achieved significant results. The main project achievements per output were as follows:

i.   *Mainstreaming*: The project raised public awareness of the 2030 Agenda through the following: presentations about MAPS at regional meetings; country level support provided by the UN SDG Action Campaign; identification of entry points for SDGs through the MAPS missions to 40 countries; and the application of SDG tools and peer exchange of ideas during the High-Level Political Forum, which highlighted country-level progress on the implementation of SDGs. The Rapid Integrated Assessment (RIA) tool, which aims to support countries in mainstreaming SDGs into national and subnational planning by helping assess their readiness for SDG implementation, was applied in 42 countries prior to or as part of MAPS missions.

ii.   *Acceleration*: Acceleration tools such as Global Climate, Land, Energy & Water Strategies (CLEWS), Foresight, PovRisk or toolkits, such as the Acceleration Toolkit developed with UNICEF and the UN Department of Economic and Social Affairs, had been developed or replicated from existing UNDP tools and made available to governments, either directly or through MAPS missions (output 3).

iii.   *Policy Support*: Policy advice was given to countries through MAPS missions. To date, the Project had engaged with 41 countries. When they started in 2016, the MAPS missions were one-off and were composed of UNDP staff only. Starting in 2017, there was more involvement from other agencies in the missions and longer-term engagements with countries. After a review of missions carried out in 2016 and 2017, the Office decided to move from one-off missions to longer-term engagements with programme countries, with an aim to offer more sustained support to countries, which could include preparatory analytical work, missions, consultancy support and assistance with programme development and resource mobilization.

iv.   *Accountability and Data*: There was significant activity in this area, with cases of support provided to countries on the gathering and use of data for monitoring SDG progress (for example through the *MY World* surveys) exceeding the targets set in the Project Document. For example, for output 4.3, the target for the number of country surveys created was 20, and country surveys had been created for a total of 28 countries.

v.   *Learning and Integration*: The Project contributed to the production of knowledge products, some of which were done in collaboration with other UN agencies. For example, the 2030 Agenda Mainstreaming Guidance Note was prepared by UNDP on behalf of the UNDG Sustainable Working Group (UNDP, UNICEF and WFP were co-chairs of the Working Group) and the Practice Guide on Leaving No One Behind was partly drafted by UNDP. An Acceleration Toolkit was prepared for the

UNDG jointly by UNICEF, UNDP, and UN Department of Economic and Social Affairs. The Project also reviewed the MAPS missions that were conducted in 2016 and 2017. The review resulted in a Discussion Paper with recommendations on the future of support on SDGs to governments. Training on MAPS missions and methodology was offered to staff through webinars and workshops at Regional Hubs.

vi. *The UN SDG Action Campaign:* The Campaign ran as a separate output within the Project, although its activities contributed to almost all other project outputs. There was good use of the advocacy tools by countries, exceeding the targets set out in the Project Document.

vii. *SDG Implementation in Fragile and Conflict Affected Settings*: This was a new output added to the revised Project Document. However, the audit team noted that the activities for this output overlapped with other outputs (i.e., outputs 1-3 and 5).

Nevertheless, it was difficult to measure the actual progress made towards achieving the project outputs as most of the indicators were quantitative and the progress reports were qualitative and not linked to the project indicators. Further, the activities for the outputs were overlapping, making it difficult to differentiate which activities were contributing to which outputs.

In addition, the audit team noted that the Project's Monitoring Plan had not been adhered to. There was no annual project report as set out in the Monitoring Plan (instead a report was produced for the first two years of the Project). A mid-term project evaluation was in progress at the time of the audit.

Issue 1   Project outputs and activities not well defined

According to 'UNDP Programme and Operations Policies and Procedures', projects should identify clear and consistent results at the formulation stage. The Project Document should also establish clear results-based indicators to measure if a result has been achieved.

The Project had seven outputs, three of which pertained to MAPS, which were the main objectives of the Project. The other four outputs could be considered as activities to ensure that these three were achieved. SDG implementation was done at different levels in UNDP (Country Offices, Regional Hubs, and Regional Bureaux) and by other UN agencies without the support of project resources. Therefore, it was difficult to measure the results that were attributable to the Project. One of the donors interviewed also noted that the project outputs were not clear. The Project's management indicated that the project design was formulated in 2015. The first two years of project implementation were for learning and adjusting, as the project started just after the adoption of the SDGs.

The audit team noted the following:

- A new output, 'SDG implementation in Fragile and Conflict Affected Settings' was added in the 2018 revision of the Project Document. The output was to be achieved by applying a risk-informed and fragility-sensitive approach to implement the SDGs in fragile and conflict-affected settings. However, in the Results and Resources Framework, the indicators for the other outputs also included the implementation of SDGs in fragile and conflict affected settings. For example, under output 1, two of the countries supported on mainstreaming each year should be fragile countries. Under output 2, countries that had tested and/or used tools for integrated policymaking for the SDGs should include two fragile countries each year. The same applied to output 3, where two fragile countries should receive integrated support in SDG implementation, and output 4 where the countries that receive support in SDG follow-up and review should include four fragile countries. Finally, output 5 should include one publication on fragility.

Further, at the time of audit, a review of the Office and the Crisis Response Unit was in progress. After the review, the policy function for fragile and countries in crisis may have moved to the Crisis Bureau, which may have had an impact on the Project as some of the work would be under a different Bureau.

- Acceleration (output 2) aimed at the establishment of tools and enabling inter-agency and multi-stakeholder partnerships. This did not fully cover all the aspects of acceleration, which according to the reference guide on Mainstreaming the 2030 Agenda for Sustainable Development should refer to targeting national (and UN) resources at priority areas identified in the mainstreaming process. The review of MAPS missions had also disclosed that there was a need for more clarity on Acceleration. Accelerators were not identified in 7 out of the 26 missions for 2016-2017.

Additionally, the Project was designed after the adoption of the SDGs in 2015 and implementation started in 2016. The project outputs were being revised in 2018 to match the anticipated funding and to reflect the lessons learned in the first two years of implementation. The Project Board had approved the revisions to the results framework and multi-year budget as well as the draft work plan. However, the revised Project Document had neither been submitted to the Project Appraisal Committee, nor signed by the Office's Director.

The Office's management explained that the Project was designed while the adoption of the 2030 Agenda was still under way. As MAPS had just been adopted by the UNDG as the common approach to support the implementation of the 2030 Agenda for Sustainable Development at the country level, a decision was made to reflect this in the project outputs. This was to enable a rapid response to evolving demand from countries and other stakeholders, as well as to allow for innovation and the incorporation of lessons learned from the experience gained in supporting countries in the implementation of the SDGs.

The similarities in activities made it difficult to determine which outputs these activities were contributing to. In addition, without clear targets or outputs, it was difficult to measure performance.

Priority	Medium (Important)
Recommendation 1: The Office should establish well-defined project outputs and activities by: (a) reformulating the project outputs to include fewer, more clearly defined outputs and activities that contribute to the achievement of the Project; (b) submitting the revised Project Document to the Project Appraisal Committee for review; and (c) ensuring that the revised Project Document is signed by the Office Director.	
Management action plan: Taking into account the intent of the recommendations and given the modalities now available, the Office proposes to change the structure of the Project going forward through the following actions: • Keep output 8 (on Fragility) as a separate project, rather than integrating it into the MAPS project. • Move output 6 (SDG Action Campaign) to be a separate project. • For the remaining outputs 1-5, reformulate them into three outputs (i) Data, Follow-up and Review; (ii) Research, Tools, Capacity Building; and (iii) MAPS Engagements.	

- Ensure that the three projects, MAPS, SDG Action Campaign, and Fragility, are linked together as a portfolio, to be managed jointly with the Project Board elevated to a Portfolio Board.

By taking these actions, the Office would be taking advantage of the new programme modalities. The Office will ensure to the extent possible more clearly defined outputs, indicators, and activities. The Office will be bringing the total existing seven outputs of the Project down to three outputs, thereby having four fewer outputs.

Estimated completion date: January 2019

Issue 2   Lapses in monitoring and reporting of the Project's progress

According to the Project Document's Monitoring Plan, progress against indicators in the Results and Resources Framework would be collected and analysed to assess the progress of the Project in achieving the agreed outputs. This should be done quarterly or in the frequency required for each indicator. A progress report should also be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level.

However, the monitoring plan had not been adhered to. Since its inception in 2016, there was only one progress report prepared covering a two-year period (2016-2017). The progress was then not reported against the results indicators in the Results and Resources Framework.

The audit team noted that targets set out in the Project Document were quantitative. However, the progress report only provided a description of activities carried out in each area, without explicitly indicating whether indicators and outputs had been achieved or not. After the audit fieldwork, another report was released in August 2018. However, the reporting was still not aligned to the targets and activities in the Project Document. The project staff indicated that there were frequent meetings where progress was discussed by the project team and updated on a tracking spreadsheet. However, this information did not translate into quarterly or annual reports.

In addition, there was no effective quality assurance process for deliverables from the MAPS missions. Although the terms of reference and reports were shared with the Technical Support Team, providing comments was voluntary and there was no follow-up on how the comments were applied. Further, the follow-up of MAPS missions' deliverables was not effective. MAPS missions resulted in reports with recommendations for governments. However, not all the reports were finalized. As of April 2018, roadmaps / reports for 15 of the 26 missions completed in 2016-2017 were still in draft form or were waiting to be endorsed by governments. Management indicated that it was not within the control of the Project to enforce a timeline for completion of delayed reports (which were awaiting government feedback) or implementation of the recommendations.

To address the above, a new draft standard operating procedure including more prescriptive content on the quality assurance process had been developed by the project team and was in the process of being circulated among participating agencies for feedback at the time of the audit. The standard operating procedure also required the MAPS secretariat to lead in the review of engagements for consolidating and disseminating best practices and lessons learned as part of the MAPS engagements monitoring process. In response to the draft report, management indicated that the standard operating procedure had been finalized and made available to relevant staff and personnel, including following up on MAPS missions. Therefore, OAI did not issue a recommendation in this regard.

Without clear reporting, shortcomings may not be detected, and the Project Board may not have adequate information for decision-making.

Priority	Medium (Important)
Recommendation 2: The Office should improve project monitoring and reporting by providing the Project Board with frequent progress reports that clearly show whether targets set in the Results and Resources Framework are being met.	
Management action plan: The Office has already taken action to improve project monitoring and reporting by providing the Project Board with frequent progress reports, which clearly show whether targets set in the Results and Resources Framework are being met. The 2018 mid-year report was shared with the Project Board in August 2018. The project team is currently preparing the 2018 Annual Report to be submitted to the Project Board by December 2018. **Estimated completion date:** December 2018	
OAI Response OAI acknowledges the action taken by management; this will be reviewed at a later stage as part of the standard desk follow-up process of OAI.	

Issue 3   Insufficient resource mobilization

According to 'UNDP Programme and Operations Policies and Procedures', a Project Document can be approved based on the financing plan and not all project funding needs to be committed or available at the start of the project. If adequate resources are not available to fully fund a project, the multi-year work plan must be clearly prioritized, indicating which outputs and/or activities will be funded first with resources available at the time of signing the Project Document. A resource mobilization and communications plan must be developed and included in the relevant sections of the Project Document. This includes an indication of priorities and mitigation measures if needed resources do not materialize.

When the Project started in 2016, the target was to raise $92.2 million. This was reduced to $37.6 million in 2018, after taking stock of the actual resources mobilized in the first two years of project implementation and estimating resources that were likely to be raised during the remaining period of the Project.

The review of the Office's resource mobilization strategy disclosed the following shortcomings:

- Of the revised target of $37.6 million, $18 million was still not funded per the draft revised Project Document. Subsequently, financing agreements had been signed amounting to $561,000, which resulted in $17.4 million remained not funded.
- The Project's resource mobilization strategy was still in draft form. The Project Board, in their November 2017 meeting, recommended stronger resource mobilization. However, not all actions indicated in the strategy had been taken at the time of the audit.

- The Project relied heavily on two main donors for the 2030 Agenda for Sustainable Development. A draft concept note had been prepared to mobilize funds from the Joint Fund for MAPS engagements. The Joint Fund was set by the Secretary-General to support Member States' efforts to accelerate progress towards the 2030 Agenda for Sustainable Development. The Joint Fund Board comprising of five UN agencies has overall responsibility for the operations of the Joint Fund. Funding had not yet materialized as of the end of the audit fieldwork.

- The Project had not been able to implement all planned activities, including the development of new tools, data management and sharing of knowledge products, due to limited funds.

Project management indicated that the strategy was not finalized or fully operationalized as they were awaiting the launch of the platforms to deliver the signature solutions as indicated in the UNDP Strategic Plan.

The Project succeeded in attracting in-kind contributions especially for the work on tools and MAPS engagements. For example, other partner agencies had allocated staff and resources for the development of tools and covered the costs of their staff participation in the MAPS engagement missions. These contributions were not included in the financial records of the Project.

According to the Office, the Project had been strategic in mobilizing resources from donors for particular areas of the Project where there was donor interest. For the two existing main donors, the Office was preparing proposals for funding for the remaining two years of the Project. The Office had also explored government cost sharing as well as working with emerging donors.

If the Office is not successful in mobilizing the required resources, the Project's target outputs may not be fully achieved.

Priority	Medium (Important)
Recommendation 3: The Office should strengthen its resource mobilization initiatives by: (a) identifying all potential donors and developing donor-specific action plans for resource mobilization and clearly allocating responsibilities; and (b) prioritizing activities in the work plan according to available funds and clearly indicating activities that are fully funded and where funding is needed.	
Management action plan: The Office will continue to manage its relationship with existing donors for targeted activities. The Office will document the resource mobilization strategy, and map all potential donors, and develop donor-specific action plans clearly allocating responsibilities. Once the Project Document has been revised in response to Recommendation 2, with fewer outputs, the Office will prioritize the activities in the revised Project Document and work plan according to available funding, clearly indicating activities that are fully funded and where funding is needed.	

The Office will need, however, to take into account the external environment for resource mobilization, which remains uncertain, as it will take additional time for decisions to be made regarding the operation of the Joint Fund and the linkage of the project to new corporate initiatives launched by UNDP.

Estimated completion date: December 2018

Issue 4   Direct project cost not fully recovered

Direct project costs are organizational costs incurred in the implementation of a development activity or service provided by UNDP Country Offices and Headquarters units that can be directly traced and attributed to that development activity (projects & programmes) or service. Therefore, these costs are included in the project budget and charged directly to the project budget for the development activity. The primary objective of Direct Project Costing (DPC) is to reflect in the appropriate project budget the true direct costs of achieving the development results and objectives funded from regular (core) and other (non-core) programme resources.

The audit team noted that not all costs were being recovered from the Project, for example:

- For MAPS missions, only travel costs were charged to the Project and did not account for the equivalent costs of the staff time spent on the project activities. There were 41 missions since 2016 and all were led by senior staff (P5, D1 and D2 levels). The teams comprised of the Team Leader and at least two other staff from UNDP. The Office's management explained that this was not charged to the Project as these missions were part of the core functions of the Office staff and considered UNDP's contribution to the Project.

- Four focal points were assigned to the Project. However, the costs of the staff time spent working on the Project were also not recovered. For example, for output 4, project staff members spent time working on tools to produce data for SDG monitoring as well as to build capacities in countries. For output 5, a focal point was designated as responsible for coordination and sharing of knowledge products.

- The Global Director (D1 level) for the SDG Action Campaign was not included in the list of staff paid from the Project and there was no evidence of cost recovery.

According to the Office, SDG implementation was a core function of UNDP and this function could not be limited to a project. Consequently, it was difficult to separate what needed to be funded from the Project from the activities performed by the Office as part of its mandate.

Not recovering all project direct costs may lead to exposures in the financial sustainability of the Office.

Priority	Medium (Important)
Recommendation 4:	
The Office should recover, as appropriate, all direct costs incurred in the implementation of the Project.	
Management action plan:	

The Office has already been working on identifying specific staff functions to reach an agreement about what can be recovered from project resources. The Office will further explore DPC and cost recovery to the extent possible within the new Global Policy Network structure, upon consultation with management.

Estimated completion date: December 2018

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.