UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations

AUDIT

OF

SUSTAINABLE DEVELOPMENT GOALS (SDG)

DATA MANAGEMENT

Report No. 2164

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Report on the Audit of Sustainable Development Goals (SDG) Data Management
Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of Sustainable Development Goals (SDG) data management from 10 June to 16 July 2019. The overall objective of the audit was to assess whether UNDP had adequate governance/control mechanisms (focusing on the collection, quality assurance, and dissemination of the SDG indicators) to ensure that data reported on the SDGs is relevant and reliable. It also assessed the extent to which UNDP can use the data collected by governments to measure their contribution to SDG achievement, as well as whether stakeholders can use the data to measure the overall progress toward attaining the SDGs.

Audit areas/sub-areas reviewed:
1. Governance and risk management
2. Data definition and data collection
3. Quality assurance process and controls

The audit team did not conduct testing to provide assurance over the SDG indicators and SDG reporting contained in UNDP's Annual Report and Integrated Results and Resources Framework.

The audit covered UNDP's SDG data management activities from 1 January 2018 to 30 June 2019.

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

Overall audit rating

OAI assessed the process as **partially satisfactory/some improvement needed**, which means, "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."

Key recommendations: Total = **4**, high priority = **0**

The audit did not result in any high (critical) 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 improve the governance and systems around SDG data collection and reporting.

The four recommendations aim to ensure the achievement of the organization's strategic objectives.

Management comments and action plan

BPPS accepted all recommendations and is in the process of implementing them. Comments and 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

I.   About SDG data management

With the adoption of 2030 Agenda for Sustainable Development in September 2015, the international development community focused its attention on the challenges of implementing and monitoring the 17 Sustainable Development Goals (SDGs), 169 related SDG targets and their 232 SDG indicators. The targets and indicators are included as an annex to this report.

At its 48th session in March 2017, the UN Statistical Commission adopted a framework of unique global indicators proposed by the Inter-agency and Expert Group on SDG Indicators (IAEG-SDGs[1]), representing the outcome of consultations among members, observers and other stakeholders.

The IAEG-SDGs identified "custodian" agency/agencies for each indicator, mandated with the responsibilities to help ensure comparability of country data, compute regional and global aggregates, and provide data in the global SDG indicator database. Furthermore, the IAEG-SDGs identified "partner" organization(s) to support "custodian" agency/agencies when necessary.

The primary responsibility for reviewing and reporting on progress towards these targets and goals rests largely with individual Member States. These country-level efforts were supported by national, regional and global institutions and processes that also made significant contributions to making progress towards achieving goals. While the United Nations Department of Economic and Social Affairs' Statistics Division (UNSD) main mandate and focus is on the global indicators, the groundwork of supporting data collection and statistical capacities at national levels falls on resident UN agencies, in particular those with custodianship responsibilities, including UNDP.[2]

The High-level Political Forum on Sustainable Development that took place in July 2019 in New York had a draft political declaration expected to be adopted during the SDG Summit in September 2019. The declaration emphasized the need for data quality from multiple sources: "high-quality, timely, reliable, disaggregated data and statistics, as well as support to countries facing the greatest challenges in this regard."

The list of global indicators was an initial framework to be improved and refined over time, including lessons learned from data collection processes. The IAEG-SDGs adopted a schedule of reviews of SDG indicators to take place in 2020 and 2025. The 2030 Agenda for Sustainable Development identified a set of core principles for these reviews. Those relevant for UNDP commitments were summarized below in table 1.

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[1] IAEG-SDGs was created on 6 March 2015 at the 46th session of the UN Statistical Commission. It is composed of Member States with regional and international agencies as observers.
[2] Source: 'UNDP Guidance Note: Data for Implementation and Monitoring of the 2030 Agenda for Sustainable Development' issued in September 2017

Table 1: Core principles for the SDG review

Follow-up and Review Principle	Implications for UN Entities
Voluntary and country-led	Member States – not UN entities – will lead the review and reporting of SDG progress.
Rigorous, high quality data	Where UN entities undertake monitoring and evaluation that is parallel to the main, country-led processes, this needs to be based on data that meets the same, rigorous standards as applied by Member States.
People-centered, gender-sensitive, respect human rights, focus on poorest and most vulnerable, leave no-one behind	Review strategies have to be sensitive to all groups: at a minimum, data should be disaggregated accordingly, but review approaches should also be inclusive and sensitive to each groups' needs.
Build on existing platforms and processes	Where UN entities are undertaking SDG-focused monitoring and evaluation, they should harmonize efforts with other entities, use existing monitoring systems where possible (particularly national systems), and avoid creating additional reporting burdens.
Will require enhanced capacity-building support for developing countries	UN entities will play a leading role in supporting the development of Member State national statistical; service and other capacities.

In March 2019, UNDP had assumed the custodianship/co-custodianship role for six indicators, as follows: three indicators under SDG 16 "Quality of public service, inclusive decision-making", two under SDG 17 "Effective development cooperation" and one under SDG 5 "Achieve gender equality and empower all women and girls".

Additionally, UNDP served as a partner with other UN agencies for three SDG indicators to support specific indicators under SDG 1 "Multi-dimensional poverty measures" and provided contributions in many other areas through various inter-agency networks, notably on water and sanitation, and disaster risk reduction.

UNDP's Bureau for Policy and Programme Support (BPPS) was designated to take on the organization's role as custodian/co-custodian for six indicators and as a partner for three indicators, respectively.

II.   Audit results

OAI made four recommendations ranked medium priority.

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

Medium priority recommendations, arranged according to significance:

(a)   Strengthen the governance of SDG data management (Recommendation 1).
(b)   Ensure that all records and documentation supporting SDG data collection and reporting are systematically collected and maintained (Recommendation 4).
(c)   Ensure that resources for SDG data management are defined and secured (Recommendation 2).
(d)   Ensure that the work plans related to UNDP's formal custodian role for assigned SDG indicators are regularly prepared and updated (Recommendation 3).

The detailed assessment is presented below, per audit area:

A.	Governance and risk management

Issue 1   UNDP's role in SDG data collection not fully fulfilled

The IAEG-SDGs affirmed that the overall ownership and primary responsibility concerning the SDGs rests with Member States, adding that their National Statistical Offices are expected to compile and provide data for global reporting. UNSD maintains a global database of the SDG indicators, and produces the Annual Progress Report of the UN Secretary-General, based on the SDG indicator framework. UNSD interacts directly with National Statistical Offices, and with UN agencies directly involved in data collection and survey instruments. While UNSD's main mandate and focus is on the global indicators, the groundwork of supporting data collection and statistical capacities at national levels falls on resident UN agencies, in particular those with custodianship responsibilities, including UNDP.[3] The UN entity that has expertise related to a specific target should review whether and how they can contribute to global, regional and/or national statistical capacity-building efforts. As part of the review process, it is essential that, among others, a custodian UN agency is consulted by concerned Member States, to understand the current indicator status, including the latest methodological development.

The audit team noted the following:

(a)   SDG Integration Unit not fully established

The establishment of the Global Policy Network in January 2019 integrated the structures, capacities and expertise of BPPS and included the SDG Integration function, which required "having substantive, programmatic and technical development impact at country level in different development settings."

The UNDP SDG Integration Team's draft organization chart consisted of 26 staff positions, 4 of which were under recruitment at the time of the audit: Lead of SDG Integration (P6); SDG Integration Advisor (P5) in Amman; SDG Integration Advisor (P5) in Bangkok; and Innovation Specialist (P3) in Amman. The audit team found that the assigned staff had generic job descriptions, prepared at the time of the 2014 BPPS restructuring. The terms of reference of the SDG Integration Team as well as the job descriptions of the staff engaged as SDG indicator focal points were drafted in 2019 and were to be reviewed by the new BPPS leadership.

UNDP staff responsible for the SDG indicators (focal points) had different reporting lines and did not communicate regularly with each other. In UNDP, some focal points did not know who their peers were for other indicators. It was not clear how information should be shared between the focal points within UNDP.

Management explained that indicators for which UNDP was a custodian pertained to domains with different data collection processes and assigned to several focal points. Therefore, there was no need for focal points in UNDP to meet on a regular basis. A dedicated Yammer group was also used to provide general information and updates on SDG indicators and data for development to interested staff. A Policy Specialist in the SDG Integration Team had been liaising on a regular basis with the UNDP focal points on issues and activities pertaining to their specific indicators, providing support and facilitation as needed.

(b)   No terms of reference or guiding principles adopted between UNDP and other partners/custodian agencies

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[3] Source: 'UNDP Guidance Note: Data for Implementation and Monitoring of the 2030 Agenda for Sustainable Development' issued in September 2017

National Statistical Offices became the custodians for SDG indicator 1.2.2. in 2017. The three partners (UNDP, UNICEF, and World Bank) drafted the terms of reference for their roles and responsibilities, which were presented to the IAEG-SDGs. However, as of the end of the audit fieldwork, the terms of reference had not been finalized.

Under SDG indicators 5.2.1 and 5.2.2, UNDP was dropped from the list of those invited to discuss the SDG indicators due to its absence in previous meetings. UNDP was expected to take part in important discussions to contribute given its mandate.

(c) Support to National Statistical Offices not tracked

Although required to deliver support,[4] UNDP was not tracking support provided to National Statistical Offices. There was no comprehensive list of the projects providing support to national statistical agencies.

All partners with whom the audit team met agreed that UNDP was seen as a strategic partner for various indicators (particularly for indicators 1.2.2, 16.6, 16.7, 17.15, and 17.16). They also agreed that UNDP needed to put an adequate governance structure and resources in place to fully discharge the custodianship commitment.

Failing to deliver on its custodian role can affect UNDP's reputation and limit its ability to be viewed as a development partner supporting key government institutions responsible for reporting on the SDGs.

Priority Medium (Important)	
Recommendation 1: The Bureau for Policy and Programme Support should strengthen the governance of SDG data management by: (a) finalizing the terms of references for the responsibilities and accountabilities of the SDG Integration Team; and (b) tracking the nature of engagement of UNDP with National Statistical Offices.	
Management action plan: (a) Terms of reference of the SDG Integration Team are formulated in the Global Policy Network Business Plan. (b) The Bureau for Policy and Programme Support will produce a mapping of statistical capacity-building projects at country, regional and global levels. **Estimated completion date:** March 2020	

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[4] 'UNDP Guidance Note: Data for Implementation and Monitoring of the 2030 Agenda for Sustainable Development' stated that, "irrespective of support for specific indicators, UNDP has a lead role to play in strengthening statistical capacity overall and, critically, analytical reporting at national, sub-national and sectoral levels."

Issue 2 <u>Funding for SDG data management not secured</u>

Mobilizing resources is essential for effective implementation of a programme or project, which in turn raises the likelihood that the desired development impact will be achieved.

The audit team noted that BPPS did not analyse the resource requirements (both financial and human resources), including the partnership approach that would ensure enough resources for the continuation of the UNDP custodian role until 2030. Further, the audit team found that different teams within BPPS were using funding from different programmes and projects that had SDG-related components to carry out the work related to UNDP's custodian function. SDG data management was an addition to existing work programmes to support the inter-governmental process, without core additional resources.

Only one team developed a concept note to request funding from a donor. The Oslo Governance Centre (responsible for indicators 16.6.2 and 16.7.1) developed a project outline in May 2019 with a funding proposal of $1.9 million per year and initiated some informal discussions with a donor. The audit team met with a donor that indicated that while there was some progress in organizing the management of the data, it was still insufficient.

Due to time and financial constraints, regional workshops necessary for ensuring Country Offices capacity for SDG data management related to indicators 17.15.1 and 17.16.1 had to be discontinued and replaced by webinars in 2018 and 2019. BPPS staff were organizing a minimum of three webinars per week during the time of data collection in addition to their work on data analysis, data comparison, quality assurance, and support to Country Offices to resolve bottlenecks. Moreover, webinars may have less impact on building strong networks with data providers.

Management commented that because of their very different and specific thematic, substantive and technical characteristics, the custodianship function for each specific indicator is best supported from resource allocations in relevant areas of work.

Failing to secure adequate resources to fulfill the custodianship role can put at risk indicators for which National Statistical Offices require support in order to track and report progress.

Priority	Medium (Important)
Recommendation 2: The Bureau for Policy and Programme Support should ensure that resources for SDG data management are defined and secured.	
Management action plan: The Bureau for Policy and Programme Support is developing a new global programme on SDG integration, which will include resources for data and analytics as one of four core pillars of UNDP's service offer on SDG integration, supporting global focal point and cross-team coordination functions for inter-agency and inter-governmental processes relating to data and statistics. **Estimated completion date:** December 2019	

B.	Data definition and data collection

Issue 3   Absence of action plan for SDG data collection

The audit team noted that BPPS did not develop a comprehensive annual work plan for SDG data management, which would include activities for data collection, responsible staff, deadlines, and targets. Management explained that the work on SDG custodianship was proceeding in line with the work plan of each individual unit where the SDG focal points were embedded.

In response to the draft report, BPPS indicated that there would be a process within the Global Partnership for Effective Development Cooperation to review and strengthen the country-led global partnership monitoring process. This process would further guide target setting, establishing milestones and capacity-building measures. This could serve as a basis for establishing and updating work plans related to UNDP's custodian role.

In the absence of a comprehensive annual work plan, important activities for data collection may be missed, which could negatively impact UNDP's reputation as custodian for SDG indicators.

Priority	Medium (Important)
Recommendation 3: The Bureau for Policy and Programme Support should ensure that the work plans related to UNDP's formal custodian role for assigned SDG indicators are regularly prepared and updated, including the formulation of targets, milestones, responsible parties and necessary capacity-building measures.	
Management action plan: The Bureau for Policy and Programme Support will ensure that annual work plans of the relevant teams include support for the SDG indicator custodianship functions on an ongoing basis. For the Global Partnership for Effective Development Cooperation, the proposed action will include preparing the work plan associated with the next monitoring cycle in conjunction with the review process of the global partnership monitoring with the specific targets and milestones. **Estimated completion date:** September 2020	

C.	Quality assurance process and controls

Issue 4   Lack of supporting documents

Under indicators 17.15 and 17.16, the 2018 the 'Monitoring guide on the Global Partnership for Effective Development Cooperation' provides guidance for the data collection, review, and submission to UNSD, and defines the roles and responsibilities of the OECD and BPPS (Joint Support Team).

The quality assurance process provides guidance to participating countries. A 'Checklist for national coordinators from countries participating in the Global Partnership Round 2018' was distributed to participating countries indicating all steps of the process, including deadlines, actions and support available. The Joint

Support Team is responsible for providing a final validation, which includes identifying errors or missing values. The national coordinator of the respective country is notified of any errors or missing values identified. Then, the issue is resolved prior to multi-stakeholder validation and submission to UNSD.

The Joint Support Team comprised of the BPPS and the OECD both have a responsibility in the data quality assurance process. As such improvements in the process should be coordinated as to ensure the overall quality.

The audit reviewed the data quality assurance process performed by the Global Partnership for Effective Development Cooperation within BPPS for three indicators (5.c.1, 17.15.1 and 17.16.1). The audit team randomly selected a sample of 10 countries that participated in the 2016 and 2018 global partnership monitoring exercises.[5] Of the 10 countries, the 2018 data sets for five countries matched with the supporting worksheets provided to the audit team. However, the supporting documentation for the remaining five countries was not made available to the audit team. Regarding 2016 data sets, supporting documents were also not provided for any of the10 sampled countries. Therefore, the audit team could not conclude on the quality and accuracy of data for these countries. In addition, records and documentation supporting SDG data collection and reporting were not systematically collected and maintained.

Failure to maintain proper supporting documents for SDG data collection may negatively impact the credibility of data collected and submitted to UNSD.

Priority	Medium (Important)
Recommendation 4: The Bureau for Policy and Programme Support, in coordination with the Organization for Economic Co-operation and Development, should ensure that all records and documentation supporting SDG data collection and reporting are systematically collected and maintained.	
Management action plan: The Bureau for Policy and Programme Support will discuss with the Organization for Economic Co-operation and Development feasibility of establishing a shared folder in OneDrive to hold 2016 and 2018 data. **Estimated completion date:** September 2020	

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[5] The global partnership monitoring exercise was facilitated by OECD and UNDP.

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.

Annex 1: UNDP as Custodian / Partner agency and its responsibility related to specific SDG indicators

Target	Indicator	Tier	Custodian(s)	Partners
Goal 1. End poverty in all its forms everywhere				
1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Tier 2	National governments	UNDP, UNICEF, World Bank
Goal 5. Achieve gender equality and empower all women and girls				
5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation	5.2.1 Proportion of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months, by form of violence and by age	Tier 2	UNICEF, UN Women, UNFPA, WHO, UNODC	UNSD, UNDP
	5.2.2 Proportion of women and girls aged 15 years and older subjected to sexual violence by persons other than an intimate partner in the previous 12 months, by age and place of occurrence	Tier 2	UNICEF, UN Women, UNFPA, WHO, UNODC	UNSD, UNDP
	5.c.1 Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment	Tier 2	UN Women, OECD, UNDP	n/a
Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels				
16.6 Develop effective, accountable and transparent institutions at all levels	16.6.2 Proportion of the population satisfied with their last experience of public services	Tier 2 *(initially Tier 3, reclassified in April 2019)*	UNDP	n/a
16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels	16.7.1 Proportions of positions (by sex, age, persons with disabilities and population groups) in public institutions (national and local legislatures, public service, and judiciary) compared to national distributions	Tier 2 *(initially Tier 3, reclassified in April 2019)*	UNDP	UN Women
	16.7.2 Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group	Tier 2 *(initially Tier 3, reclassified in April 2019)*	UNDP	n/a
Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development				
17.15 Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development	17.15.1 Extend of use of country owned results frameworks and planning tools by providers of development cooperation	Tier 2	OECD, UNDP	n/a
17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder	17.16.1 Number of countries reporting progress in multi-stakeholder development	Tier 2	OECD, UNDP	UNEP

partnership that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the SDGs in all countries, in particular developing countries	effectiveness monitoring frameworks that support the achievement of sustainable development goals			