

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



PERFORMANCE AUDIT

OF

THE UNDP REGIONAL BUREAU FOR AFRICA

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Report on the Audit of the UNDP Regional Bureau for Africa Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of the UNDP Regional Bureau for Africa (RBA) from 5 October to 6 November 2020. 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 aimed to assess to which extent RBA is effectively carrying out its key functions of providing strategic direction, oversight, and support to Country Offices and programme countries in their effort to achieve the 2030 Sustainable Development Goals (SDGs).

The audit addressed the following questions:

1. Is the governance and organizational structure of RBA adequate to support the work of Country Offices in delivering on their commitments with programme countries?
2. Is the Regional Programme managed effectively and on track to achieve its results?
3. Are operations performed in compliance with UNDP policies and procedures?

The audit covered the period 1 January 2019 to 31 August 2020. RBA recorded programme and management expenses of approximately \$44.6 million during the audit period. RBA was last audited in 2009, and the Regional Programme for Africa was audited in 2015. An audit of all regional hubs took place in 2019.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Due to the COVID-19 pandemic, the audit was conducted remotely. Scope limitations due to the nature of the remote audit related to the following activities:

- (a) A review of original supporting documentation could not be carried out, and therefore the audit team relied on scanned copies of documents provided by RBA for all audit areas reviewed.
- (b) Meetings with office staff and personnel were carried out virtually, which limited the audit team's understanding of RBA's working environment.

Overall audit rating

OAI assessed the performance of RBA 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 = **5**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There are five 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 weaknesses in filling vacant positions, weaknesses in project design and implementation of project activities, lack of procurement planning, and delays in completing staff performance assessments.



The five recommendations aim to ensure the following: (a) achievement of the organization's strategic objectives (Recommendations 1, 2, 3), effectiveness and efficiency of operations (Recommendations 4 and 5), as well as the compliance with policies and procedures (Recommendations 4 and 5).

Management comments and action plan

The Assistant Administrator and Director of RBA accepted all 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.

Brett Simpson
Officer-in-Charge
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I. About the Regional Bureau for Africa

The Regional Bureau for Africa (RBA) is UNDP's largest Regional Bureau covering 46 countries, with almost one third of them in crisis or post-crisis situations, its Headquarters (HQ) is located in New York. To help the Africa region overcome its development challenges, RBA's goal is to develop the region's capacity to promote pro-poor growth and accountability as a strategy for accelerating progress towards achieving the Sustainable Development Goals (SDGs). Achieving this strategic goal will require: a refocusing of UNDP's resources in the region on capacity development; strengthening its own internal capacity in required substantive and managerial areas by enhancing its standards of efficiency and accountability; innovative region-wide strategic thinking and policy analysis, advocacy and partnerships; translation of corporate and RBA strategies and goals into successful capacity development results on the ground; and more strategic support to UN reform, regional and continental.

The RBA structure comprises the following units:

- Directorate
- Strategic Analysis and Research Team
- Country Oversight Team
- Partnerships and Communications Team
- Management Support Team
- Regional Programmes
- Tokyo International Conference on African Development
- Regional Service Centre

The Country Oversight Team and Regional Programmes provide support and oversight to programme development, and monitoring and evaluation to Country Offices. The Strategic Analysis and Research Team provides support on emerging policy and developmental issues, and translation of strategies into effective capacity development initiatives for greater development results. The Management Support Team provides support on management and operational support.

The Partnerships and Communications Team coordinates and advises on the creation and strengthening of key regional and country partnerships that contribute to UNDP's core mission, mandate, and achievement of development results, including securing resource commitments, where possible. Additionally, and in coordination with the Bureau for External Relations and Advocacy, it develops, implements and monitors the regional external communications strategy, and markets and positions UNDP in the region, working closely with international and regional media.

The Directorate, Country Oversight Team, Strategic Analysis and Research Team, the Management Support Team and the Regional Support Team in RBA HQ as well as the Regional Service Centre, located in Africa and hosted by Country Offices, all work together to resolve complex programme and operational-related issues and information delivery.

The Regional Service Centre

The UNDP Regional Service Centre for Africa (RSCA) is based in Addis Ababa, Ethiopia, with additional offices (hubs) in Dakar, Senegal, Pretoria, South Africa, and Nairobi, Kenya. It serves 46 Country Offices in sub-Saharan Africa, and is the organization's main interface with regional and continental bodies such as the African Union and the Regional Economic Communities. The RSCA and the offices in Dakar, Pretoria and Nairobi, host the Global Policy Network presence covering the Africa Region, in support of the UNDP Strategic Plan, Regional Programme Plans as well as the Country Programme Documents approved by the Executive Board.



Audit methodology

The audit used documentation reviews, interviews and written inquiries/surveys. Due to the travel restrictions related to COVID-19, the audit was conducted remotely.

The policy and programme support aspects of RBA's mandate were not covered in this audit as they were already examined in OAI's audit Report No. 2167: Performance Audit of UNDP Regional Hubs. Additionally, the audit was performed in coordination with OAI's audit of the UNDP Country Office in Ethiopia.

Question 1 was addressed through a systematic review of the RBA Terms of Reference, components of the UNDP Renewed Strategic Offer in Africa, RBA's organizational structure, Integrated Work Plans, and job descriptions of key staff. This was complemented by interviews with key staff. A review of the resources available for Country Office support during the review period was also performed.

Question 2 was addressed through analysis of the Regional Programme Document, Regional Project Documents, and monitoring and progress reports, including the Results-Oriented Annual Reporting (ROAR). This was complemented by written inquiries and interviews with the Regional Programme Coordinator, Regional Service Centre Director and other key staff.

Question 3 was addressed through compliance tests of a recruitment sample and payment and procurement cases. The samples included transactions processed by HQ as well as by the Bureau's Regional Offices in Addis Ababa, Dakar, Nairobi, and Pretoria. This was complemented by interviews with staff as required.

II. Audit results

Satisfactory performance was noted in the following areas:

- (a) Governance: RBA had a clearly defined structure, clearly defined roles and responsibilities and internal control framework. Bureau management had implemented a series of changes in the regional presence of the Bureau to better serve Country Offices and programme countries.
- (b) Regional Programme: The Regional Programme for Africa was well-managed and on track to achieve its objectives. The regional projects sampled were managed effectively by highly skilled project teams.
- (c) Finance: A review of 40 voucher samples totalling \$746,512 or 5 percent of the total voucher amount processed by RBA during the audit period showed that payments were made in accordance with UNDP requirements and with the terms and conditions of the contracts and purpose of the projects.
- (d) Human resources: A review of a sample of staff and service contract holder recruitments showed compliance with UNDP requirements. Recruitments were also found to be timely.
- (e) Administrative services/travel: Based on the sample testing, travel was undertaken in compliance with UNDP requirements. Asset registers were kept for all the hubs and there were no acquisitions or disposals of assets during the audit period. The vehicle fleet was reasonable for all the hubs and the five vehicles identified were insured. Motor vehicles maintained up-to-date logbooks. Host agreements between host countries and UNDP were in place. The UNDP premises had long-term leases in place between the landlords and UNDP.

OAI made five recommendations ranked medium (important) priority.

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



Medium priority recommendations:

- (a) Review and update staffing table, determine critical positions to be filled and develop recruitment plans with specific timelines to fill vacant posts (Recommendation 1).
- (b) Improve project design (Recommendation 2).
- (c) Assess the risk and develop a strategy on how project activities can be effectively delivered and sustained during and following the COVID-19 pandemic (Recommendation 3).
- (d) Develop an annual consolidated procurement plan for HQ and all Regional Service Centre locations and conduct regular review of the plans (Recommendation 4).
- (e) Ensure that 2019 and 2020 Performance Management and Development plans and assessments are completed as a matter of priority (Recommendation 5).

The detailed assessment is presented below:

1. Is the governance and organizational structure of RBA adequate to support the work of Country Offices in delivering on their commitments with programme countries?

The UNDP Renewed Strategic Offer in Africa (the Strategic Offer) issued in January 2020 is RBA's renewed strategic document that guides its mandate. The Strategic Offer reflects RBA's vision, mission and objectives, and is considered the main internal RBA governance-driven instrument.

RBA conducted a risk analysis exercise in 2019. The COVID-19 pandemic was affecting RBA's programmes and operations and posing challenges to adapting internally and providing the required external services to programme countries. In the second quarter of 2020, RBA revisited its risk analysis to reflect the impact of the pandemic on its operations. The risk analysis outlined mitigation measures, as appropriate.

A new RBA structure was in place with an expansion of its regional presence in four locations: Addis Ababa, Nairobi, Pretoria and Dakar. The audit team reviewed the Headquarters and RSCA structures as well as the job descriptions of key positions.

RBA maintained internal controls in line with the UNDP Corporate Internal Control Framework and adequate documentation of Delegation of Authorities. The review included the risks analyses for years 2019 and 2020, the RBA Terms of Reference, the Business Continuity Plan, performance assessments and staff meeting notes.

Except for the vacant positions noted below, RBA had an effective governance structure built around its mandate.

Issue 1 Weaknesses in filling vacant positions

The Terms of Reference for RBA outlined the functions of its various units, including human resource management responsibilities, in defining the optimal staffing of the Bureau and regional projects. Approved positions were documented in the RBA staffing table and organization charts. Further, the RBA Strategic Offer emphasized a new approach to partnerships and communications as a key enabler, for which a dedicated unit was set up in RBA HQ with seven positions. The audit team noted the following:

- (a) The organization chart and staffing table reflected 40 vacant positions out of 123 positions, summarized below.

Table 1: Staffing table as at 6 November 2020

Location	Post category	Count of vacant Positions
NY	Director 1	1
	Professional	10
NY Total		11
RSCA	Director 2	1
	General Service	8
	National Officer	3
	Professional	17
Total RSCA		29
Grand total		40

- (b) Among the above vacancies, there were key positions including the seven posts of the Partnership and Communications Team in New York. In addition, there were another five vacant communications posts within RSCA that consisted of a Communications Adviser (P5) reporting to the Deputy Director of RSCA, three communications positions within RSCA, and one RSCA Regional Programme Communications Specialist reporting to the Senior Regional Advisor.

RBA indicated that around 15 positions were under recruitment at the time of the audit, including the position of the Director of RSCA, while the remaining posts had yet to be filled or were under review for deactivation.

Not filling key positions may prevent RBA from achieving all its strategic objectives.

Priority	Medium (important)
Recommendation 1:	
The Regional Bureau for Africa should review and update its staffing table, determine critical positions to be filled, and develop recruitment plans with specific timelines to fill vacant posts.	
Management action plan:	
RBA, in close collaboration with the Human Resources Business Partner, will develop a holistic recruitment plan for the key and relevant positions currently vacant, determining order of priorities. A similar plan will be prepared for key outstanding positions at the hub level.	
Estimated completion date: March 2021	

2. Is the Regional Programme managed effectively and on track to achieve its results?

The Regional Programme was, overall, on track to deliver its objectives. Although a budget deficit of approximately \$50 million was still outstanding at the time of the audit, RBA had taken steps to attempt to cover the funding gap, including \$26 million in core funds for 2021.

The audit team reviewed 3 out of 23 regional projects, with expenditures amounting to \$74.6 million out of a total of \$400.3 million and found them to be on track in achieving their planned results effectively. As seen in the findings section below, opportunities for improvement in project design, including redefining project monitoring and evaluation frameworks, were identified.



Issue 2 Weaknesses in project design

The Programme and Project Management section of the ‘UNDP Programme and Operations Policies and Procedures’ and the ‘Handbook for Planning, Monitoring and Evaluating for Development Results’ set out requirements for project design, including setting and monitoring a results framework.

(a) Weak project indicators, baselines and targets

The output indicators, baselines, and targets in the Results and Resources Framework (RRF) for two out of the three projects (indicated by A, B, and C) reviewed did not provide clarity on how the project’s outcomes would be accomplished. The audit team noted the following:

- For project A, the RRF had unclear targets and baselines for 3 of the total 21 outputs, and the budget allocation of funds (totalling \$17.35 million) two other outputs were unjustified in relation to the deliverables listed for these outputs in the RRF.
- For project B, initiated in September 2019, the project did not have baselines for 8 of the total 14 output indicators, and 9 of the total 14 output indicators did not have any targets; this made the scope of the project unclear. These baselines and targets should have been determined in the first year of the project’s implementation.

(b) Unclear Theory of Change and resource mobilization strategy

In the case of project A, the project document did not have a clear Theory of Change that showed how the project could be scaled up through a decentralized approach supported by appropriate policies and funding by national governments to support to country-level activities.

Also, the project document did not include a robust resource mobilization strategy to collect the required budget of approximately \$57.8 million, which impacted the ability of the project to scale up to support country-level activities and to monitor the progress of country-level activities.

These weaknesses in the Theory of Change and the resource mobilization strategy made it unclear how the overarching target of empowering 1 million African youth, of whom about 40 percent are women, could be met by 2022.

Priority	Medium (important)
Recommendation 2:	
The Regional Bureau for Africa should improve project design by:	
<ul style="list-style-type: none"> (a) setting adequate baselines, indicators and targets in the project Results and Resources Framework; and (b) reviewing the project Theory of Change, updating the development activities that can be accomplished by the end of the project, and identifying the project resources that need to be mobilized. 	
Management action plan:	
<ul style="list-style-type: none"> (a) RBA will conduct the mid-term evaluation of the identified project. 	



(b) The perception surveys have been carried out in Nigeria, Chad and Cameroon. The Niger Country Office will initiate a similar survey. The project with unclear targets and baselines will hire a consultant to review, reconcile and update the RRF and make recommendations for regular updating of the RRF.

Estimated completion date: March 2021

Issue 3 Lack of implementation of project activities due to COVID-19

COVID-19 requires the office to assess the risks and define mitigating actions in delivering project activities.

Covid-19 presented specific challenges in engaging local stakeholders and conducting capacity building and restoration activities. The audit noted the following in the countries where projects A, B and C were being implemented.

For project A, COVID-19 had presented challenges in organizing in-person events and capacity-building activities for youth. Some of the activities had been conducted virtually, further discussions were needed with project stakeholders to deliver technical and vocational education, and training programmes virtually.

For project B, COVID-19 had caused disruptions, from March to July 2020, with regard to conducting community security workshops, community-based construction activities, community engagement, and monitoring of project activities on the ground level due to reduced mobility and access to border areas that were far from country capitals and urban areas. Some of these limitations were eased after the countries opened their borders and the movement of people and goods was possible.

For project C, COVID-19 had impeded local level engagement of stakeholders due to reduced accessibility and mobility that raised the risk of radicalization of communities by violent extremist groups under false notions of invincibility to COVID-19. The project tackled this by delivering a counter narrative through local-level faith-based and educational institutions. However, the project was unable to engage with locally embedded institutions to enhance community engagement and resilience in the context of COVID-19.

Failure to assess the risk and impact of COVID-19 may hinder the Bureau's ability to adjust the project activities and its ability to mitigate risks associated with project implementation.

Priority	Medium (important)
Recommendation 3:	
The Regional Bureau for Africa should assess the risk of COVID-19 and develop a strategy on how project activities can be effectively delivered and sustained during and following the COVID-19 pandemic.	
Management action plan:	
RBA will conduct the internal assessment of the COVID-19 impact on implementation of regional project activities as part of the 2021 Regional Programme Integrated Annual Work Planning Exercise.	
Estimated completion date: March 2021	



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

Overall, operations in HQ and the RSCA were carried out effectively and in compliance with relevant UNDP policies and procedures. Administrative and operational support were provided by the Country Offices in Addis Ababa (Regional Service Centre), Nairobi and Pretoria hubs, while in Dakar, the hub personnel provided the administrative and operational support to the Country Office. Areas where improvements could be made included procurement planning as well as properly justifying direct contracting. Additionally, analysis of the staff Performance Management and Development (PMD) data showed insufficient completion rates for both 2019 year-end and 2020 mid-year performance reviews.

Issue 4 Lack of procurement planning

According to the 'UNDP Programme and Operations Policies and Procedures', all business units and Country Offices shall develop consolidated procurement plans. These should normally be prepared annually and reviewed regularly. Analysis of the consolidated procurement plan provides an opportunity to identify economies of scale and better uses of resources and provides an overview of the scale of the procurement activities. Procurement planning should also take place at the project level or even at the activity level, depending on the complexity of the activity and the number of interrelated procurement actions.

The audit team reviewed the procurement plans prepared by HQ, the RSCA and the hubs (Dakar, Nairobi and Pretoria) for the years 2020 and 2019 and noted the following:

(a) Headquarters

The Headquarters Operations Unit was not using the corporate procurement management platform (PROMPT) for planning its procurement. For 2020, the Headquarters Operations Unit prepared a procurement plan spreadsheet documenting the outputs and description of what services or goods were planned for the year. Actual expenditures were recorded and compared against the budget at the end of the year, but no justifications were documented for the variances in the budget lines, especially in those where no expenditure was incurred. The 2019 procurement plan document missed important information (e.g., budget amounts) and the spreadsheet was a record of goods and services procured.

(b) RSCA in Addis Ababa

The Regional Service Centre's 2020 and 2019 procurement plans showed the number of actions and values of services and goods that were expected to be procured but no actual expenditure for each action was documented. The procurement plans were entered into and downloaded from PROMPT but monitoring of the actual expenditures was done in Atlas (enterprise resource planning system of UNDP). There was no documentation of the analysis of variances between the plan and actual expenditures.

(c) Sub-regional platform - Dakar

It was noted that procurement planning was not performed in the hub. The document provided to the audit team was a record of the actual procurement that had taken place and not a procurement plan. Procurement requests were coming from the hub/project staff and processed on an *ad hoc* basis. PROMPT was not fully utilized and used by the hub.

(d) Regional Hub - Nairobi

No consolidated procurement plan was developed by the hub at the beginning of the year. The document provided to the audit team was a plan to purchase IT equipment. All procurement was *ad hoc*



and based on the needs of the projects. The audit team was informed that a consolidated procurement plan would be developed for the coming year. PROMPT was not fully utilized and used by the hub.

(e) Pretoria office

The procurement plan showed the number of actions and values of services and goods that were expected to be procured but no actual expenditure for each action was documented. According to the Country Office, procurement on behalf of the hub was very minimal. A Service Level Agreement had been recently signed for the support that the Country Office would provide to the hub.

According to RBA management, a training webinar was being organized in November 2020 on how to use PROMPT as an instrument to boost procurement planning, monitoring and implementation.

Inadequate planning and monitoring of procurement plans may impact project delivery. Repeated *ad hoc* and emergency procurement could also lead to higher prices and higher costs of acquisition.

Priority	Medium (important)
Recommendation 4:	
The Regional Bureau for Africa should develop an annual consolidated procurement plan for HQ and all Regional Service Centre locations to identify the scale of procurement needed and better use of resources. Regular reviews of the plans should be carried out and significant variances against the plan should be justified and documented.	
Management action plan:	
A training webinar on PROMPT took place on 24 November led by BMS and RBA HQ, and Regional Hub procurement focal points attended the session.	
A consolidated procurement plan will be developed to support the 2021 integrated work plans, following the standard templates and procedures.	
Estimated completion date: April 2020	

Issue 5 Delays in in completing Performance Management and Development (PMD) process

The Human Resources Performance Management Policy stipulates that the objective of the PMD is to facilitate successful performance of UNDP staff members, strengthen the culture of high performance and continuous development, as well as ensure accountability of all UNDP staff members for effective performance. Effective performance management and development of each staff member are a shared responsibility of the supervisee and the supervisor.

It was noted that the 2019 PMD review and 2020 mid-term performance review (MTR) were not completed in a timely manner and were at various stages of completion, requiring interventions of either the supervisee or/and the supervisor.

Table 2: 2019 PMD status of completion

2019 PMD			
Office	Completed	In progress	Not started
HQ	16	7	5
Dakar	10	2	2
Addis Ababa	20	3	10
Nairobi	3	0	2
Total	49	12	19
			Total RBA staff members
			80

Table 3: 2020 MTR PMD status of completion

2020 MTR PMD			
Office	Completed	In progress	Not started
HQ	17	1	10
Dakar	10	0	4
Addis Ababa	24	0	4
Nairobi	5	0	0
Total	56	1	18
			Total RBA staff members
			75

Lack of monitoring of the completion of PMDs led to the PMDs being not completed in a timely manner. This was also compounded by the fact that the even though the hub staff were physically located in different locations, their human resources functions in Atlas were under the RSCA in Addis Ababa.

Failure to set, monitor and review the performance of staff may affect staff development and organizational success.

Priority	Medium (important)
Recommendation 5:	
The Regional Bureau for Africa should ensure that the 2019 Performance Management and 2020 mid-term assessments are completed as a matter of priority.	
Management action plan:	
RBA will:	
<ul style="list-style-type: none"> (a) Conduct a thorough review of all outstanding PMDs for 2019 and the mid-term review for 2020. (b) Filter and update the list of supervisees to reflect the correct list of staff (after the delinking process, some Resident Coordinators remain in the PMD system). (c) Follow up through email reminders and impose deadlines for completion per unit. (d) PMD support to support all staff with technical difficulties to complete the PMD process. 	
Estimated completion date: January 2021	



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.