



**CONSOLIDATED REPORT ON THE THEMATIC AUDIT**

**OF**

**PROJECT MONITORING AND OVERSIGHT PRACTICES**

**IN**

**UNDP**

**Report No. 2586**

**Issue Date: 14 April 2023**



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**Consolidated Report on the Regional Thematic Audits of Project Monitoring  
and Oversight Practices in UNDP  
Executive Summary**

The Office of Audit and Investigations (OAI), as part of its 2022 annual work plan, conducted the thematic audit of project monitoring and oversight practices in UNDP in five Regional Bureaux and related Country Offices on a sample basis. Separate audit reports were issued for each of the five Regional Bureaux. This report provides a consolidated summary of the five reports and covers the following Regional Bureaux: Africa (RBA); Arab States (RBAS), Asia and the Pacific (RBAP); Europe and the Commonwealth of Independent States (RBEC); and Latin America and the Caribbean (RBLAC).

Programme and project management continued to be one of the areas with the highest number of audit observations, with these recurring in the last six years. This thematic audit also served to provide an understanding of the root causes of the issues noted, in addition to identifying corrective actions to enhance the delivery of development results.

This thematic audit was undertaken using performance audit methodology. 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.

**Thematic audit objective**

The audit assessed whether project monitoring and oversight practices at the Regional Bureaux level and at the Country Offices supported their Country Programme results. The review included an assessment of the design of project monitoring frameworks, Country Office capacities to adequately monitor projects, and quality assurance processes to validate data used for decision-making and risk management. In assessing this, the audit team reviewed the Country Offices' capacities for effective implementation of programmes and projects, including a review of the corporate monitoring system for results tracking and risk management.

A survey was conducted by OAI to assess: (i) the resources and capacity for project and Country Office monitoring results; (ii) implementing partners' capacities; and (iii) the sufficiency, efficacy and satisfaction of support provided by the Regional Bureaux. A total of 181 responses were received, with the key areas of resources and capacity training in monitoring practices being priority areas for support. Further, the audit reviewed the role of the various Regional Bureaux in exercising their oversight functions as the 'second line of defense' for effective programme delivery.

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

Question 1. Were Country Offices successful in monitoring the achievement of project results and addressing any deviations from agreed work plans?

Question 2. Have Regional Bureaux established effective oversight mechanisms to ensure adequate monitoring of projects and programmes at the Country Office level?

The audit referenced the UNDP Accountability Framework and Oversight Policy (DP/2008/16), the UNDP Programme and Operations Policies and Procedures and the UNDP Enterprise Risk Management (ERM) Policy as audit criteria to assess whether project monitoring and oversight practices at the Country Office level and at the Regional Bureaux level supported the achievement of Country Programme results.

This audit reviewed 106 projects in 59 Country Offices across the five Regional Bureaux.

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### Results of OAI's review

All five reports were rated **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."

OAI made a total of 10 recommendations, 9 of which were rated medium priority while one was rated high priority. The high-priority recommendation was aimed at enhancing the management and oversight of project risks through qualitative reviews of risk logs, addressing gaps in oversight capacities, and the development of guidance notes/checklists to support project risk quality assurance and monitoring and evaluation.

Out of the 10 recommendations, 8 related to performance audit question 1, while 2 related to performance audit question 2. The 10 recommendations addressed the following monitoring gaps: poorly designed results frameworks and risk monitoring; weak monitoring, reporting and oversight of project results; insufficient planning and results-based budgeting; and insufficient funding for supporting monitoring and evaluation mechanisms in small-size offices. The one high-priority recommendation addressed the gaps in RBAS's oversight mechanisms over Country Office project risk management and quality assurance.

This consolidated report includes one recommendation addressed to the Bureau for Policy and Programme Support to address policy gaps related to the management and oversight of high-risk projects and portfolios.



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## 1. Introduction

Programme and project management continued to be one of the areas with the highest number of audit observations. In the last five years (2017–2021), OAI identified 967 audit issues from a total of 279 Country Office audits conducted. Of the 967 audit issues, 249 (26 percent) were within the area of programme and project management. OAI's annual reports (2017–2021) to the Executive Board included nine Country Office recurring audit issues in the area of programme and project management.

Against this backdrop, OAI conducted a regional thematic audit of UNDP programme and project management to address these long-outstanding issues in UNDP. The audit was conducted across UNDP's five Regional Bureaux: Regional Bureau for Africa (RBA), Regional Bureau for Arab States (RBAS); Regional Bureau for Asia and the Pacific (RBAP); Regional Bureau for Europe and the Commonwealth of Independent States (RBEC); and Regional Bureau for Latin America and the Caribbean (RBLAC).

## 2. Objective of the audit

The audit assessed whether project monitoring and oversight practices at the Regional Bureaux level and at the Country Offices supported their Country Programme results. The review included an assessment of the design of project monitoring frameworks, Country Office capacities to adequately monitor projects, and quality assurance processes to validate data used for decision-making and risk management. In assessing this, the audit team reviewed the Country Offices' capacities for effective implementation of programmes and projects, including a review of the corporate monitoring system for results tracking and risk management.

Further, the audit reviewed the role of the various Regional Bureaux in exercising their oversight functions as the 'second line' for effective programme delivery.

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

Question 1. Were Country Offices successful in monitoring the achievement of project results and addressing any deviations from agreed work plans?

Question 2. Have Regional Bureaux established effective oversight mechanisms to ensure adequate monitoring of projects and programmes at the Country Office level?

## 3. Audit Criteria

The audit teams used the UNDP Accountability Framework and Oversight Policy (DP/2008/16), the UNDP Programme and Operations Policies and Procedures and the UNDP Enterprise Risk Management (ERM) Policy as audit criteria to assess whether project monitoring and oversight practices at the Country Office level and at the Regional Bureau level supported the achievement of Country Programme results.

The key elements within these policies relied upon by the audit team when referring to the audit criteria are as indicated below:

UNDP Accountability System – Accountability Framework and Oversight Policy (DP/2008/16):

The Assistant Administrators and Directors of Regional Bureaux are accountable to the Associate Administrator for monitoring the performance of the respective Country Offices and taking steps to address recurring programmatic and operational issues.



UNDP periodic and quarterly Regional Bureaux management reviews are utilized to address key aspects of UNDP performance, including the Country Offices' programme and project performance, audit, evaluation, financial and procurement management.

Individuals (including managers) in UNDP are accountable to the organization for expected ethical and professional conduct and to their managers for how they discharge the authority delegated to them in delivering agreed performance results and budgets.

The Programme and Project Management section of the UNDP Programme and Operations Policies and Procedures: Criteria for Monitoring of Programmes and Projects:

- All UNDP programming activities are required to adhere to monitoring standards and policies, for which managers of regional and country programmes and all projects are accountable.
- The frequency of monitoring must be appropriate for decision-making, including joint governance mechanisms such as project boards defined during project design. Outcomes must be monitored at least annually through the Results-Oriented Analysis Report, and outputs must be monitored through the integrated work plan/Results-Oriented Analysis Report and project-specific output monitoring.
- Monitoring includes: (a) planning and tracking performance through the collection of appropriate and credible data and other evidence; (b) analysing evidence to inform management decision-making, improve effectiveness and efficiency, and adjust programming as necessary; and (c) reporting on performance and lessons to facilitate learning and support accountability.
- Resources for monitoring should include adequate staffing for monitoring and evaluation based on the size of the Office as outlined in the policy.

UNDP ERM Policy: ERM applies an integrated approach to risk management, with horizontal integration across all types of risks, and vertical integration from projects up to the corporate level.

**4. Review of the regional thematic audit**

OAI reviewed a total of 106 projects in 59 Country Offices across five Regional Bureaux as follows:

Table 1: Number of Country Offices and projects selected by Regional Bureau

Bureau	Number of Country Offices selected	Number of projects reviewed
RBA	20	40
RBAS	5	11
RBAP	16	19
RBEC	8	16
RBLAC	10	20
<b>TOTAL</b>	<b>59</b>	<b>106</b>

Distribution of audit recommendations

A total of 10 recommendations were made to address the 10 issues raised in the five region-specific audit reports. Of these, nine recommendations (90 percent) were rated medium priority, while one was rated high priority.

Table 2: Distribution of audit recommendations

Region	Number of Recommendations	Recommendation Priority	
		Medium	High
RBA	2	2	
RBAP	1	1	
RBAS	2	1	1
RBEC	2	2	
RBLAC	3	3	
	<b>10</b>	<b>9</b>	<b>1</b>

### Audit observations and recommendations

#### Performance audit question 1: Were Country Offices successful in monitoring the achievement of project results and addressing any deviations from agreed work plans?

The five audit reports contained eight observations and recommendations related to this performance audit question, with all rated as medium priority. The audit observations are categorized as follows:

- Poorly designed results frameworks that did not support effective monitoring (RBA, RBAS).
- Weak risk management and monitoring, including quality assurance of data (RBA, RBEC, RBLAC).
- Weak project results monitoring and oversight (RBA, RBAS, RBEC).
- Inadequate monitoring of project results by project boards or project steering Committees (RBA, RBAP).
- Inadequate capacities for monitoring, risk management and reporting (RBA, RBLAC).

The eight recommendations made to address the issues noted were as follows:

Bureau	Issue Title	Recommendation
RBA	Poorly defined results frameworks and weak risk monitoring	The Regional Bureau should facilitate training to Country Offices on Results Based Management and project risk monitoring (Recommendation 1).
RBA	Weaknesses in monitoring, reporting and oversight of project results	The Regional Bureau should instruct Country Offices to put into place plans to address any capacity weaknesses in quality assurance, periodically verify that monitoring plans are implemented, and project results reporting is adequate, and inform project steering committees of their expected roles (Recommendation 2).
RBAP	Weaknesses in implementing monitoring controls	The Regional Bureau should promote the full costing of Country Office monitoring activities, ensure these are adequately planned and needs-based, and monitoring reports are structured to reflect project status against targets, and project board review of progress reports is based on targets (Recommendation 1).
RBAS	Results frameworks not adequately established to support effective monitoring of results	The Regional Bureau should follow up with Country Offices to ensure corrective actions are taken that will reinforce oversight on high-risk project design, including results frameworks, and monitoring the achievement of planned development results (Recommendation 1).
RBEC	Inadequate planning of monitoring resources and implementation of monitoring activities	The Regional Bureau should improve project monitoring by ensuring monitoring resources, quality of monitoring plans, frequency and timing of monitoring activities are well defined (Recommendation 1).

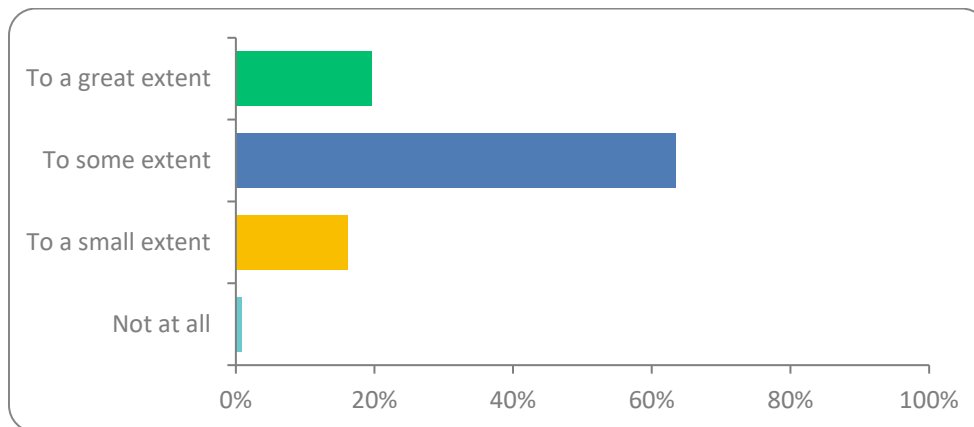


Bureau	Issue Title	Recommendation
RBEC	Inadequate risk monitoring practices	The Regional Bureau should improve project risk monitoring by ensuring project personnel are trained and effectively utilize project risk logs and provide guidance to project staff on risk management and reporting (Recommendation 2).
RBLAC	Insufficient planning for results-based budgeting at the project level	The Regional Bureau should ensure that Country Offices formulate projects incorporating results-based budgets, including allocation of human and technical resources for project monitoring activities during project planning (Recommendation 1).
	Ineffective project-level risk management for informed decision-making	The Regional Bureau should ensure that Country Offices enhance their risk management oversight to adequately manage risks, and conduct refresher training to enhance risk management (Recommendation 2).

OAI undertook a survey aimed at gathering feedback and suggestions from Country Offices on their assessment of the capacity for monitoring project results, including the capacity of national partners and the support from the Regional Bureaux. The survey, comprising 12 questions, was also aimed at identifying any challenges that may negatively impact the quality of results.

A total of 181 complete responses were received from Country Offices. Responses to key questions pertaining to question 1 of the performance audit were as follows:

**To what extent is the project monitoring capacity sufficient, in terms of number and qualifications of staff needed?**

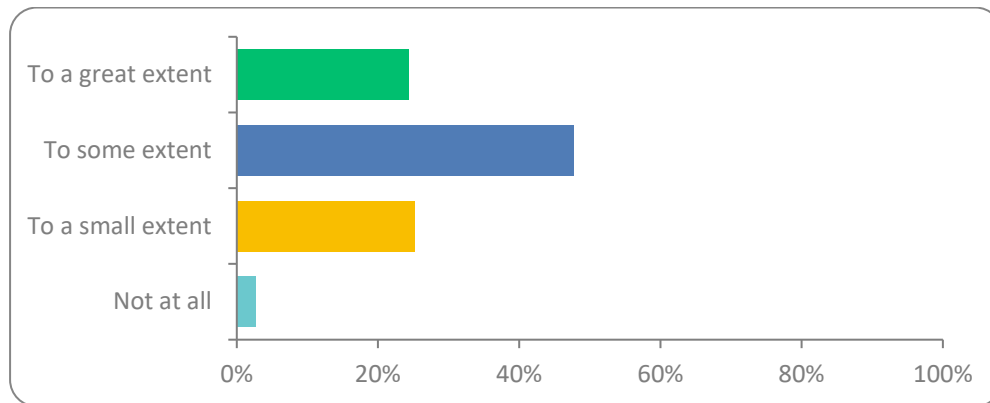


The survey disclosed that 57 percent of the respondents stated that monitoring capacities (staffing and qualifications) were sufficient to some extent, while 23 percent and 20 percent responded that it was sufficient to a great extent and to a small extent, respectively.

Similarly, on the question pertaining to budget for monitoring, it was noted 24 percent of the respondents indicated that it was sufficient/to a great extent, while 48 percent indicated it was sufficient to some extent.

**To what extent is the budget for the monitoring function at the Country Office level sufficient to meet the monitoring of quality requirements?**





Responses to other questions are summarized below:

- Sufficiency of Country Office level monitoring capacity: 23 percent deemed it sufficient to a great extent, while 57 percent deemed it sufficient to some extent.
- Capacity to verify monitoring data and results: 53 percent stated it was sufficient to some extent while 24 percent deemed it sufficient to a great extent.
- Quality of data provided by UNDP partners: 48 percent deemed it sufficient to a great extent, while 19 percent deemed it sufficient.

The survey results confirm that, generally, the project monitoring function was working well within UNDP, however, there was room for improvement, especially in terms of capacity training of both staff and implementing partners in monitoring practices. In addition to this, respondents indicated that continuous engagement with other Country Offices and sharing of best practices would be beneficial in enhancing project oversight. Specific funding/resources for monitoring activities, enhancing digital data collection platforms and tools were also identified as actions that would improve project monitoring.

The survey responses are deemed to be in line with the observations and recommendations made in the five regional audit reports on project monitoring practices, and therefore validate the key gaps identified: resources for monitoring and capacity training in monitoring practices.

**Performance audit question 2: Have Regional Bureaux established effective oversight mechanisms to ensure adequate monitoring of projects and programmes at the Country Office level?**

Two audit issues and recommendations were made pertaining to this audit question related to RBAS and RBLAC. The audit observations and recommendations are outlined below:

The observations and recommendations made are as follows:

Bureau	Issue Title	Recommendation
RBAS	Gaps in the Regional Bureau's oversight mechanisms over Country Office project risk management and quality assurance practices	The Regional Bureau should enhance the management and oversight of project risks by conducting an in-depth and qualitative review of project risk logs on a sample basis; filling gaps in oversight capacities through oversight missions/remote support to Country Offices; and developing guidance note with respect to project risk log/registers quality assurance review processes (Recommendation 2).
RBLAC	Insufficient funding for	The Regional Bureau should ensure that adequate support in

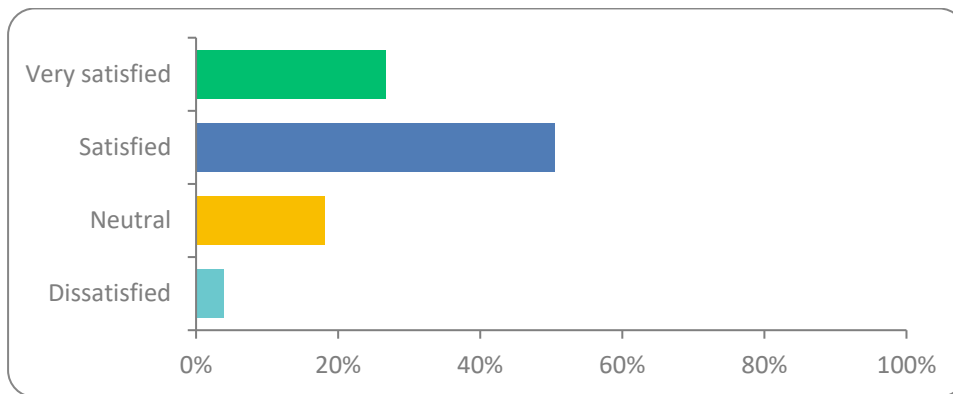


Bureau	Issue Title	Recommendation
	supporting monitoring and evaluation mechanisms at small-size Country Offices	terms of monitoring and evaluation is provided to small Country Offices lacking sufficient capacity for monitoring and evaluation activities (Recommendation 3).

The recommendation pertaining to RBAS was rated high priority, while the RBLAC recommendation was rated medium priority.

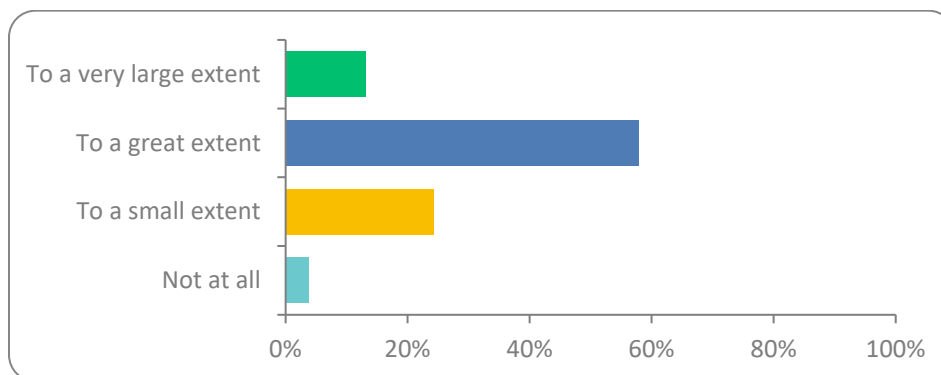
Four out of the 12 survey questions pertained to the Regional Bureaux; the key questions and responses were outlined below:

**How would you rate the quality of the guidance provided by the Regional Bureau/Regional Hub to support the Country Offices’ monitoring function, including capacities?**



It was noted 50 percent of respondents indicated that they were satisfied with the quality of guidance provided by Regional Bureaux to support the Country Offices’ monitoring function/capacities, while 27 percent indicated a rating of very satisfied. A further 18 percent of the respondents remained ‘neutral,’ while 4 percent indicated dissatisfaction.

**To what extent is the support from the Regional Bureau/Regional Hub on issues related to project/programme management sufficient?**



A total of 60 percent of respondents indicated the support from the Regional Bureaux to be sufficient to a great extent, while 13 percent noted that it was sufficient to a very large extent. 4 percent indicated dissatisfaction with



the level of support. Overall, the responses to question 2 of this audit were perceived to be positive.

#### Recommendations with policy implications

OAI noted that with regard to audit question 2, three Regional Bureaux comprising RBA, RBAP and RBEC were assessed to have established effective oversight mechanisms to ensure adequate monitoring of projects and programmes at the Country Office level.

While RBLAC had also established adequate support mechanisms for oversight in medium and large Country Offices with sufficient monitoring and evaluation capacities, there were gaps in the support of small Country Offices with relatively minimal capacities to address corporate monitoring requirements. OAI made a recommendation in this regard (Recommendation 3).

Similarly, in response to audit question 2, OAI noted that RBAS's oversight mechanisms over Country Office project monitoring practices were adequately established but not fully functioning since the focus was on compliance rather than improving the overall quality of the monitoring practices. An example noted was the lack of specific guidelines at both the Country Office and Regional Bureau level for monitoring large projects (budget-wise) that are inherently high risk, including projects that may potentially have a significant impact on UNDP's reputation globally. A recommendation addressed to The Bureau for Policy and Programme Support has been made in this regard under section 5 below.

Efforts to strengthen the monitoring and evaluation policies and guidelines are currently ongoing, and the Bureau for Programme and Policy Support is in the process of revising and revamping the UNDP guidelines on Results Based Management. This revision is expected to provide enhanced policies and guidelines on monitoring and evaluation, based on a substantive review and best practices. These revised guidelines will also be supported by requisite training for staff.

## **5. Conclusion and recommendations**

OAI reiterates the importance of taking adequate measures to address the issues raised by the five audit reports. Regional and Central Bureaux with oversight responsibilities as the "second line" are required to adequately monitor all Country Offices under their purview and ensure that measures are taken to address all issues noted in these five audit reports.

Further, OAI has identified an oversight gap as articulated in the issue below:

### **Issue 1**      Policy gaps in management and oversight of high-risk projects and portfolios

The 2022–2025 Strategic Plan stresses the need for UNDP to actively manage risk, and continually adapt and learn from lessons drawn from previous experiences. To support this, the ERM Policy has been strengthened to address some of the previous shortcomings, specifically to address risk in complex environments.

The Inter-Bureau Task Force and PPM Reference Group, in a working paper dated 20 January 2023, noted that the ERM Policy is compliance driven in its approach to risk management and does not consider the multi-layer intricacies related to implementing projects that pose high risks for the organization. Further, the working paper also indicated that the gaps in defining and establishing criteria related to high-risk projects and portfolios were identified in the root cause analysis of recurring audit issues, and in the 2020 Global Environment Facility (GEF) audit undertaken by OAI.

A high-risk project has the potential to impact the entire organization, whether positive or negative. Development projects are usually implemented in environments with high contextual risk (i.e., weak infrastructure, unstable political environment, ongoing or recent armed conflict, high poverty rates, weak legal environment and banking system, lack of adequately qualified human resources, etc.). Further, the sheer size of



a project in terms of budget has the potential to significantly impact the organization. Different Regional Bureaux have developed their own definitions of high-risk projects and portfolios, and the approach to managing related risk varies across these Regional Bureaux. Currently, there are various policies in place that provide guidance on the response to project risks, as summarized below:

- (a) The ERM Policy highlights circumstances under which risks are escalated (e.g., to the Regional Bureaux), and includes, *inter alia*, the treatment of the risk when it exceeds the authority or mandate of the risk owner, and also when the risk significance level is determined to be high. It also indicates that ad hoc reporting of risks is often needed in crisis contexts or for high-level risks. Regional Bureaux are also responsible for ensuring Country Offices keep their risk registers up to date, respond to risks appropriately, and report upwards in line as necessary. Therefore, the Regional Bureaux oversight over risks is dependent on the information entered into the risk registers by the Country Offices in responding to those rated as high risk, and when escalated by the Country Offices to the respective Regional Bureaux.
- (b) The UNDP Programme and Operations Policies and Procedures under Design/Appraise/Approve: This policy specifies specific authorization from the Regional Bureau director for the authorization of projects related to construction works. This policy also clearly outlines the Regional Bureaux oversight mechanisms related to vertical funds.
- (c) The UNDP Programme and Operations Policies and Procedures under Implement/Provide oversight: This policy includes making allowances for project boards under crisis contexts where constraints prevent the government from being able to participate in relevant project boards, where approval for a modified project board oversight mechanism may be granted. There is no standard policy that defines the role of the Regional Bureaux in the oversight of these projects that are considered high risk.
- (d) The Social and Environmental Standards (SES) guidance notes outline policy and guidelines, specifically on the screening, social and environmental assessment, and management as part of the project quality assurance process. This guidance includes the treatment of projects deemed high-risk in relation to the SES. Similar to the ERM Policy, high-risk projects as a result of the SES screening are escalated to determine if additional Regional Bureaux or corporate support is required.

Based on the above, OAI notes the following:

- While OAI acknowledges that there are policies and guidelines that make reference to where the Regional Bureaux should provide oversight in projects rated high risk, these triggers are mainly demand driven; the Country Offices are required to flag these before they are escalated to the Regional Bureaux.
- The Regional Bureaux response to high risks depends on the risk rating entered into the risk registers, which are reviewed quarterly. This thematic regional audit also noted that the quarterly reviews of risk registers by a Regional Bureau (RBAS) focused mainly on the compliance aspect of entering risks in the risk register, and not necessarily on the quality of these risks, including the assigned ratings, which may not reflect the true severity of the identified risks.
- Specific procedures or actions to be taken by the Regional Bureaux in monitoring risks rated high were not clear, as the policies only focus on the conditions under which risks are escalated. During a discussion with RBAS on GLOC (Government Contributions to Local Office Costs) recovery, OAI was informed that accountabilities, for example, between the Office of Financial Management and the Regional Bureaux were unclear, and required further clarification for effective oversight over GLOC payments. During the same discussion, it was mentioned that risks, in general, cannot be transferred to the Regional Bureaux, which begs the question of who takes ownership of the risks when they are escalated to the Regional Bureau level if they are not accepted?



- The policies and guidelines outlined above did not include definitions of high-risk projects, including outlining defined thresholds for project approvals at Country Office and Regional Bureaux levels, whereby currently projects that are as large as \$600 million are approved by the Resident Representative only, without escalation mechanisms to the Regional Bureau level. Without project budget thresholds, there is no automatic triggering mechanism for escalation to the Regional Bureaux. Projects of this magnitude carry inherent risks whose impact has the potential to reverberate at the UNDP global level. As an indication of the policy gaps related to high-risk projects, the Executive Office is currently spearheading an initiative to define and establish criteria for high-risk projects and portfolios for UNDP. This gap has been identified as contributing to a number of audit issues identified.
- RBA also stated that the role of the Regional Bureaux did not include the reviewing, on a sample basis, the details of what Country Offices were reporting (e.g., project results, spot checks, etc.). Therefore, the Regional Bureaux oversight was mainly based on information provided by the Country Offices in the various dashboards, quarterly and ad hoc reports, without demonstrated verification of what was being reported.

The Bureau for Policy and Programme Support is currently updating the Results Based Management toolkit, which will address the way UNDP captures impact, and also the changes that it contributes to at the ground level. This revised version is also expected to introduce learning modules for UNDP staff and management, including certification.

In the absence of a clear policy that defines and details the role of the Regional Bureaux in the oversight of complex and risky projects, the organization is exposed to reputational risks that may have global implications. Further, the absence of project approval thresholds at the Country Office and Regional Bureaux level may result in compromising adequate oversight of large and risky projects.

<b>Priority</b>	High (Critical)
<b>Recommendation 1:</b>	
<p>The Bureau for Policy and Programme Support should update the section related to Programme and Project Management section of the UNDP Programme and Operations Policies and Procedures on project monitoring to:</p> <p>(a) clearly define the role of the Regional Bureaux in the oversight of complex/risky projects; and                  (b) introduce thresholds for project approvals at the Country Office and bureau levels.</p>	
<b>Management action plan:</b>	
<p>Building on the ERM Policy and Risk Appetite Statement, the Bureau for Policy and Programme Support and ExO are working together on defining high-risk projects and portfolios for UNDP and how they can be supported. This joint effort will help identify the recommended criteria for identifying high-risk projects and portfolios for UNDP, along with thresholds for managing the risks at the country, regional and corporate levels, and what type of monitoring and support should be provided to maximize the performance. This will be supplemented by clarifying roles and responsibilities across Country Offices, Regional and Central Bureaux, and the Risk Committee for identifying, overseeing, monitoring, treating and costing risks.</p>	
<b>Estimated completion date:</b> 30 June 2024	

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## Definitions of audit terms - ratings and priorities

### A. AUDIT RATINGS

- **Fully 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.
- **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.