

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



**THEMATIC AUDIT**

**OF**

**PROJECT MONITORING AND OVERSIGHT PRACTICES**

**IN**

**THE REGIONAL BUREAU FOR AFRICA**

**Report No. 2612**  
**Issue Date: 26 January 2023**



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## Report on the Thematic Audit of Project Monitoring and Oversight Practices in the Regional Bureau for Africa Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a thematic audit of project monitoring and oversight practices in the in the Regional Bureau for Africa from 3 May to 10 September 2022.

The audit covered the period from 1 January 2020 to 31 March 2022 and was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors (The IIA). The audit was conducted remotely.

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.

The audit assessed whether project monitoring and oversight practices at the Regional Bureau 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 also reviewed the role of the various Regional Bureaux in exercising their oversight function as the 'second line of defense' 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 deviation from agreed work plans?

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

### Overall audit rating

OAI assessed the monitoring of programmes and projects within UNDP as **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." This rating was mainly due to poorly defined results frameworks and weak risk monitoring. The RBA Country Offices were successful in monitoring the achievement of project results and addressing deviations, but some improvements were needed as detailed in the audit recommendations.

RBA has established effective oversight mechanisms to ensure adequate monitoring of projects and programmes at the Country Office level.

**Key recommendations:** Total = **2**, high priority = **0**



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### Management comments and action plan

The Assistant Administrator and Director of the Regional Bureau for Africa accepted the two recommendations and are 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.

*Moncef Ghrib*

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## I. About project monitoring and oversight practices in the region

The Regional Bureau for Africa (RBA) has a total of 45 Country Offices. As of 30 November 2022, the total programme budget of RBA Country Offices amounted to \$1,909 million (this amount includes the budget for regional programmes amounting to \$313 million) with total programme delivery of \$957 million or 50 percent. Details per Country Office are presented in Annex I.

RBA has oversight systems in place, which are primarily focused on monitoring and evaluation at the country programme level. Oversight exists at the project level in terms of compliance with evaluation plans (ensuring that evaluations are performed as planned). However, it does not extend to results monitoring by projects, although mechanisms do exist to exercise oversight of the progress thereon. Day-to-day responsibility for oversight of results monitoring by projects lies within Country Offices.

## II. Audit methodology

The two performance audit questions were addressed through a combination of documentation reviews, questionnaires, system walkthroughs, and interviews with key staff in a select number of Country Offices and the Regional Bureau.

The audit scope covered the period from 1 January 2020 to 31 March 2022. The sample included 20 out of the 45 offices in the RBA region (42 percent), namely: Angola, Benin, Botswana, Burundi, Cameroon, Central African Republic, Ethiopia, Ghana, Côte d'Ivoire, Kenya, Liberia, Madagascar, Malawi, Mozambique, Nigeria, Sao Tome and Principe, South Sudan, Togo, Uganda and Zambia. For each Office, two outputs were selected for review of their project results monitoring processes.

### Audit criteria

The audit team 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 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 Bureau management reviews that 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.

### III. Audit results

OAI made two recommendations ranked medium (important) priority.

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

**Medium priority recommendations**, arranged according to significance:

- (a) The Regional Bureau, through its programme risk management, should facilitate training to Country Offices on RBM and project risk monitoring (Recommendation 1).
- (b) The Regional Bureau, through its oversight unit, 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).

The detailed assessment is presented below:

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

In general, Country Offices were successful in monitoring the achievement of project results and addressing deviations from agreed work plans. However, areas of weakness were identified on the following points:

#### **Issue 1**      Poorly defined results frameworks and weak risk monitoring

UNDP's Programme and Operations Policies and Procedures require that all projects have results frameworks in place that clearly define the results to be achieved, the baselines from which results will be measured, targets and indicators to measure progress, and means of verification from which data on measuring progress will be sourced. Indicators are required to be "SMART"— specific, measurable, attainable, realistic and time-bound.

Proactively preventing and addressing deviations from project work plans requires effective and well-functioning risk management systems on projects. UNDP's Programme and Operations Policies and



Procedures<sup>1</sup> require the Risk Register to be maintained and updated as needed in Atlas<sup>1</sup> for the duration of the project, no less than once a year during implementation.

The audit team noted the following:

- i. Poorly defined results frameworks

There was a notable number of cases where important deficiencies were observed, which made measuring results by offices difficult or impossible altogether. In particular, out of 40 projects sampled: 18 projects (45 percent of the sample) did not have all baselines defined in their results frameworks or did not have them at all; 11 projects (28 percent) did not define targets to be achieved and 13 (33 percent) of projects did not have indicators that met the SMART criteria or did not have indicators at all. Interviews with Country Offices showed that a lack of knowledge when designing projects was the most often cited reason for the weaknesses observed. Responses to a survey sent to Country Office monitoring and evaluation (M&E) personnel also highlighted inadequate capacity related to monitoring and results-based management (RBM) concepts at the project design stage.

- ii. Weak risk monitoring

Although risk management systems in Country Offices were functioning in general, there were notable exceptions. Out of the 40 projects reviewed, for 13 projects (33 percent of the sample) from 10 Country Offices, risks were not systematically monitored or were not monitored at all. In cases where project risks were logged, there was no evidence of treatment or review of risks. Other issues observed included risk logs in the project documents that were not the same as those risks recorded in Atlas and risks in Atlas that were not regularly updated by the responsible staff.

A lack of attention and follow-up by management on project risks was most often cited in interviews with Country Office staff as the reason for the anomalies noted. In other cases, the audit team noted lack of knowledge and awareness of staff on available tools for project risk monitoring.

The absence of clearly defined baselines, targets and indicators hinders Country Office efforts to effectively monitor, measure and verify progress in the achievement of development results. Furthermore, without adequate risk monitoring, challenges and issues related to project implementation may not be addressed in a timely manner, thereby impacting the achievement of programmatic results.

<b>Priority</b>	Medium (Important)
<b>Recommendation 1:</b>	
The Regional Bureau, through its programme risk management should:	
(a) provide RBM training to M&E and programme staff in Country Offices to ensure an equal understanding across Country Offices of critical RBM concepts when designing project documents; and	
(b) coordinate with the Quantum administrator to ensure that training is provided to Country Offices on the use of available tools for project risk monitoring.	

<sup>1</sup> Quantum is UNDP's new corporate management system, which replaced Atlas on 9 January 2023.



**Management action plan:**

1. The Project Risk Management Team (PRMT) in collaboration with the RBM unit, will schedule a refresher RBM training in Q2 2023 dedicated to M&E and programme staff across RBA. The training will be specifically designed to cover critical RBM concepts that are essential at the design phase of project documents.
2. To ensure full adoption and utilization of the available tools in Quantum on project risk management and monitoring, the PRMT will coordinate with the Quantum administrator to ensure Country Offices are made aware of two training sessions scheduled for January 2023 that will address project risk management topics in Quantum.
3. The PRMT in collaboration with the RBM unit, will schedule an M&E and RBM refresher training for Country Office management colleagues (DRRs), in Q2 2023.

**Estimated completion date:** July 2023

**Issue 2** Weaknesses in monitoring, reporting and oversight of project results

According to UNDP's Programme and Operations Policies and Procedures, Country Offices keep track of progress on projects by collecting monitoring data as per project results frameworks and the schedule in project monitoring plans. The data informs Country Offices of any deviations from work plans and if any corrective actions are required. Monitoring data and analysis, together with updates on risks inform project progress reports, which need to be produced on a regular basis to keep UNDP informed on progress in achieving pre-defined targets and results. Project steering committees perform the critical function of monitoring the achievement of project results and addressing any deviations from agreed work plans.

The audit disclosed the following:

i. Low implementation of results monitoring plans

There were a significant number of UNDP Country Offices that had limited monitoring data on project results, due to a lack of data collection to be able to undertake that function. Moreover, when issues were noted requiring corrective action, there was little follow-up. Specifically:

- Most projects sampled across the 20 Country Offices reviewed across RBA were not collecting monitoring data at all. Out of 40 projects sampled, 23 (59 percent of the sample) from 14 Country Offices could not show that they were collecting adequate monitoring data or did not collect it all. The audit disclosed that weaknesses in the collection of monitoring data arose due to various reasons. These included inadequately defined indicators, lack of clarity regarding what type of data was to be collected, or inaccessible data, which resulted in the abandonment of data collection efforts. Feedback provided by programme staff indicated that inadequate quality assurance at the design phase resulted in projects being poorly defined. In other cases, feedback from staff indicated there was an understanding that conducting field verification visits constituted data collection; however, a review of back-to-office reports showed that the data being collected was at the project activity level and not against defined indicators. In a third category of projects, data was not collected due to inadequate oversight and limited time.
- Where data monitoring did occur, it did not occur within the time schedule defined in project monitoring plans. Specifically, in 28 out of 40 projects (76 percent), it did not occur on time. Delays in undertaking monitoring activities during the post-COVID-19 pandemic lockdown period (early 2021) were in most cases caused by slower-than-anticipated project implementation activities at the start





of 2021 due to the lingering COVID-19 restrictions. The audit team did note, however, that efforts were routinely made to reschedule monitoring activities. However, offices faced challenges in meeting these schedules due to delays.

- For 26 out of 40 projects, when issues were identified through monitoring, there was no follow-up on issues noted, or if the follow-up was carried out, it was not documented.

ii. Weaknesses in progress reporting

In 9 out of 40 projects (or 23 percent), regular project reporting did not occur as stipulated in key documents. Specifically, 7 projects did not produce progress reports and for another 2 projects, reporting was inadequate (for example, the reports were spreadsheets with dashboard colours without a narrative of what happened, what should have happened, and what action was to be taken). In general, it was noted that where projects had poorly defined results frameworks, reporting focused on activities implemented as opposed to progress toward achieving planned results. The above occurred due to inadequate oversight and guidance on reporting of project results.

iii. Weak monitoring of project results by project steering committees

The audit team found that in 23 out of 40 projects sampled (58 percent of the sample), project steering committees from 14 Country Offices were not undertaking that function effectively. Minutes of meetings showed that in most cases, project steering committees reviewed activities implemented by projects and not progress toward results. Furthermore, they did not provide guidance to project management on deviations and issues affecting work plans. In three projects, the committees did not meet at all.

Project steering committees' reviews focused on planned activities and the progress on the implementation of these planned activities, but not on the results noted in the project document.

Evaluation and timely monitoring of projects cannot be adequately carried out if the monitoring data is not collected by offices. Additionally, deviations from agreed work plans may go unnoticed. Furthermore, if challenges noted during monitoring are not followed up on and addressed, there is a risk that project implementation objectives may not be achieved as planned.

Without adequate reporting of progress data, divergence from agreed work plans may go unnoticed and planned results may not be achieved. A failure by project steering committees to review the progress of projects toward meeting planned results may result in planned project results not being achieved.

<b>Priority</b>	Medium (Important)
<b>Recommendation 2:</b>	
The Regional Bureau, through its oversight unit, should ensure Country Offices do the following:	
<ul style="list-style-type: none"> <li>(a) put into place plans to address any capacity weaknesses in quality assurance processes relating to reviews of project documents prior to approval;</li> <li>(b) put in place periodic checks to verify that monitoring plans are adequately implemented;</li> <li>(c) strengthen the process of reporting of project results by reviewing, on a sample basis, project results reporting during the regular programme meeting of the Country Offices; and</li> <li>(d) inform project steering committees of their expected roles by formally sharing the terms of reference with the members.</li> </ul>	



**Management action plan:**

RBA will send out a memo in February 2023 addressed to RRs and DRRs instructing them to:

- Put in place plans to address any capacity weaknesses in quality assurance processes relating to reviews of project documents prior to their approval.
- Put in place periodic checks, as per policy, to verify that monitoring plans are adequately implemented.
- Strengthen the process of reporting of project results by reviewing, on a sample basis, project results reporting during the regular programme meetings of the Country Offices.
- Inform the respective project steering committees/boards of their expected roles and duties by formally sharing the terms of reference.

**Estimated completion date:** March 2023



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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.

Annex I

Country	Programme Budget (\$)	Programme Expenditures (\$)	Delivery Rate (%)
Angola	76,199,666	41,365,605	54.29
Benin	12,122,314	7,282,159	60.07
Botswana	10,496,815	5,256,239	50.07
Burkina Faso	39,592,028	18,923,352	47.80
Burundi	71,624,569	49,347,781	68.90
Cameroon	24,509,928	18,237,917	74.41
Cape Verde	8,778,551	5,092,907	58.02
Central African Republic	29,204,109	23,765,198	81.38
Chad	59,354,304	42,748,759	72.02
Comoros	14,809,520	11,394,754	76.94
Congo	27,660,899	11,980,892	43.31
Democratic Republic of the Congo	175,378,131	46,087,813	26.28
Côte d'Ivoire	11,452,160	8,993,199	78.53
Equatorial Guinea	7,569,443	5,184,430	68.49
Eritrea	12,115,074	3,773,587	31.15
Eswatini	4,433,328	2,378,343	53.65
Ethiopia	50,135,067	27,870,480	55.59
Gabon	5,136,376	3,576,170	69.62
Gambia	10,812,927	7,426,981	68.69
Ghana	11,010,636	8,317,193	75.54
Guinea	19,663,625	14,548,815	73.99
Guinea-Bissau	29,164,596	15,396,683	52.79
Kenya	27,527,881	18,423,071	66.93
Lesotho	8,192,554	4,657,274	56.85
Liberia	20,134,455	12,831,727	63.73
Madagascar	21,430,348	13,642,988	63.66
Malawi	29,527,242	20,889,121	70.75
Mali	39,263,620	22,917,201	58.37
Mauritania	14,730,973	9,105,915	61.81
Mauritius	17,235,633	6,937,150	40.25
Mozambique	40,125,262	27,292,962	68.02
Namibia	11,557,330	7,460,569	64.55
Niger	48,593,486	34,308,498	70.60
Nigeria	87,519,183	60,154,053	68.73
Rwanda	18,174,213	11,843,608	65.17



Country	Programme Budget (\$)	Programme Expenditures (\$)	Delivery Rate (%)
Sao Tome and Principe	7,830,243	4,977,323	63.57
Senegal	11,512,761	6,057,695	52.62
Sierra Leone	15,580,446	8,415,365	54.01
South Africa	11,615,620	7,299,545	62.84
South Sudan	85,820,451	70,131,715	81.72
United Republic of Tanzania	29,391,497	16,480,747	56.07
Togo	10,858,318	7,600,515	70.00
Uganda	27,771,499	16,816,612	60.55
Zambia	25,769,135	12,342,402	47.90
Zimbabwe	275,237,513	144,171,614	52.38
Regional Bureau for Africa	313,043,155	34,129,649	10.90
<b>Total</b>	<b>1,909,666,884</b>	<b>957,836,576</b>	<b>50.16</b>