

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



**PERFORMANCE AUDIT**

**OF**

**THE REGIONAL BUREAU FOR LATIN AMERICA AND THE CARIBBEAN**

**Draft Report No. 2699**  
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## Report on the Performance Audit of the Regional Bureau for Latin America and the Caribbean Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a performance audit of the Regional Bureau for Latin America and the Caribbean (RBLAC or the Bureau) from 17 January 2024 to 8 February 2024. Performance auditing is an independent, objective, and reliable examination of an entity or process to assess whether economy, efficiency, and effectiveness in the employment of available resources is being achieved.

The audit aimed to assess the adequacy and effectiveness of RBLAC's governance, Country Office support and oversight, Regional Programme, and operations. To achieve its objective, it addressed the following performance audit questions:

- 1. Is RBLAC effectively organized to guide and support the work of Country Offices?**
- 2. To what extent is RBLAC effectively discharging its monitoring and oversight responsibilities?**
- 3. Is the Regional Programme managed effectively and on track to achieve expected results?**
- 4. To what extent are operations in RBLAC conducted effectively and efficiently?**

The audit covered the activities of RBLAC from 1 January 2023 to 31 December 2023. The last audit of the Bureau was conducted by OAI in 2018. The audit was performed in conformance with the *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors (The IIA).

### Overall audit rating

OAI issued an audit rating for the Office of **fully 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." This rating is mainly due to RBLAC being effectively organized to guide and support the work of the Country Offices and manage risk, and operations (finance, procurement, and travel) are being conducted effectively and in compliance with relevant UNDP policies and procedures.

### Good practice

The competitive recruitment strategies implemented by the Bureau resulted in 63 per cent of staff at the P-4 level and above being female as of 31 December 2023, compared to 56 per cent in 2018<sup>1</sup>. As of 31 December 2023, 80 per cent of the staff posts at the D-1 level and above were held by women while there were no women at the D-1 level and above in December 2018.

Refer to page 2 for details.

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

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<sup>1</sup> In Headquarters and the Panama Regional Hub

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The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, which means "Action is required to ensure that UNDP is not exposed to risks. Failure to act could result in negative consequences for UNDP." These recommendations include actions to address non-compliance with project board meeting procedures (recommendation 1) and to ensure completeness and timely update of the project risk registers, the quality assurance documentation, and the procurement plans in Quantum/Quantum + (recommendation 2).

The two recommendations aim to ensure the effectiveness and efficiency of operations (recommendation 2) and compliance with legislative mandates, regulations and rules, policies, and procedures (recommendations 1 and 2).

### **Management comments and action plan**

The Assistant Administrator and Director of RBLAC accepted the two recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

A handwritten signature in black ink, appearing to read 'Guillermo Munoz', is centered within a rectangular box.

Guillermo Munoz  
Deputy Director (Audit) a.i.  
Office of Audit and Investigations

## I. About the Regional Bureau for Latin America and the Caribbean

The Regional Bureau for Latin America and the Caribbean (RBLAC) provides strategic direction, oversight, and support to Country Offices (COs) in their engagement to achieve the UNDP Strategic Plan (2022-2025).

RBLAC is based on the principle of 'One Bureau, Two Locations', in New York and Panama. The Regional Hub has for objective to bring corporate and regional policy closer to the field. It serves 26 Country Offices<sup>2</sup> covering 42 countries and territories.

In New York, RBLAC is composed of 32 personnel: 25 fixed-term positions and seven International Personnel Services Agreements. In Panama, the Regional Hub consists of 25 personnel: 16 fixed-term positions and nine National Personnel Services Agreements.

From 1 January to 31 December 2023, the Bureau had a total programme delivery of \$1,063.6 million and had mobilized resources of \$1,040.1 million. Over the same period in 2022 and 2021, RBLAC had a total programme delivery of \$966.5 million and \$1,149.1 million respectively and mobilized resources of \$837.7 million and \$1,188.2 million respectively<sup>3</sup>. Between 2018 and 2023, RBLAC programme delivery increased by 55 per cent and the resource mobilized by 40 per cent.

## II. Good practice

The competitive recruitment strategies implemented by the Bureau resulted in 63 per cent of staff at the P-4 level and above being female as of 31 December 2023, compared to 56 per cent in 2018<sup>4</sup>. As of 31 December 2023, 80 per cent of the staff posts at the D1 level and above were held by women while there were no women at the D1 level and above in December 2018.

Grade	2018					2023				
	Female	Male	Total	Female	Male	Female	Male	Total	Female	Male
<b>ASG</b>	0	1	1	0%	100%	1	0	1	100%	0%
<b>D2</b>	0	1	1	0%	100%	1	0	1	100%	0%
<b>D1</b>	0	2	2	0%	100%	2	1	3	67%	33%
<b>P5</b>	2	1	3	67%	33%	0	3	3	0%	100%
<b>P4</b>	8	3	11	73%	27%	8	3	11	73%	27%
<b>P3</b>	0	1	1	0%	100%	1	1	2	50%	50%
<b>P2</b>	2	0	2	100%	0%	1	0	1	100%	0%
<b>Total</b>	<b>12</b>	<b>9</b>	<b>21</b>	<b>57%</b>	<b>43%</b>	<b>14</b>	<b>8</b>	<b>22</b>	<b>64%</b>	<b>36%</b>

<sup>2</sup> RBLAC Country Offices: Argentina, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, México, Nicaragua (no programme), Panama, Paraguay, Peru, Suriname, Trinidad and Tobago, Uruguay, and Venezuela.

<sup>3</sup> Provisional data for Fiscal Year 2023, as of 6 February 2024.

<sup>4</sup> In Headquarters and the Panama Regional hub.

### III. Audit results

OAI made two recommendations ranked medium (important) priority.

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

- (a) Initiate a review of project board meeting schedules and structures to ensure alignment with Project Documents (Recommendation 1).
- (b) Update project risk registers, the quality assurance documentation, and the procurement plans in Quantum<sup>5</sup> and Quantum +<sup>6</sup> (Recommendation 2).

#### Question 1. Is RBLAC effectively organized to guide and support the work of Country Offices?

Overall, RBLAC was effectively organized to guide and support the work of Country Offices and was in line with Country Offices' support needs.

Furthermore, based on the survey conducted by the audit team all Country Offices confirmed their satisfaction with the support received<sup>7</sup>.

- 96 per cent of the respondents (24 COs) were *Very Satisfied/Satisfied* with the quality of the support received (Figure 1).
- 84 per cent of the respondents (21 COs) acknowledged that the Bureau's support was provided in a timely manner (Figure 2).
- 88 per cent of the respondents (22 COs) assessed the monitoring and oversight role performed by RBLAC over COs as *Very Satisfied/Satisfied* (Figure 3).

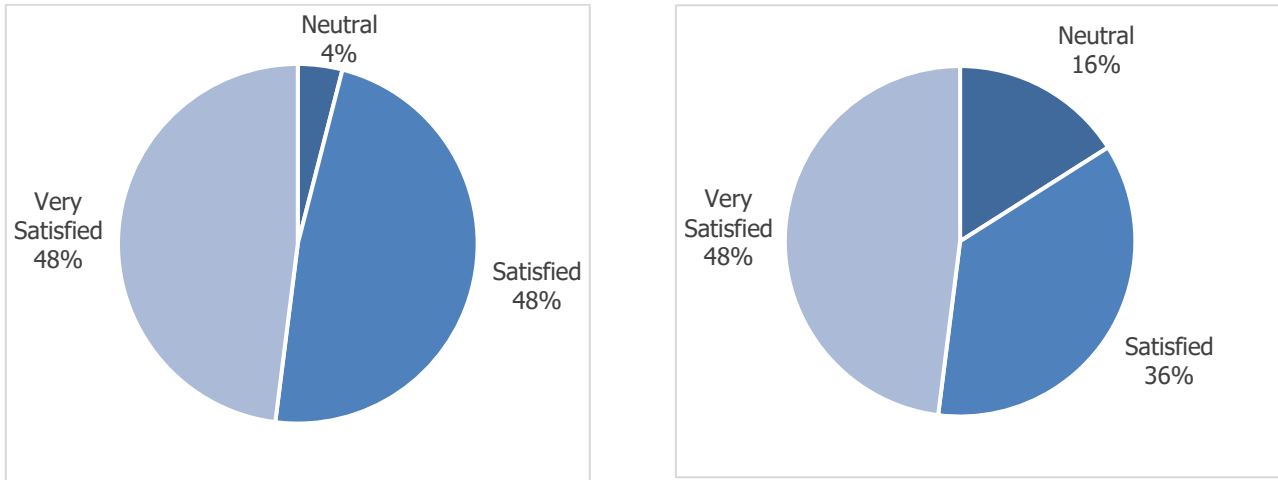
**Figure 1:** How would you rate the quality of support received from the RBLAC HQ/Panama Regional Hub?

**Figure 2:** How would you rate the timeliness of support received from RBLAC HQ/Panama Regional Hub?

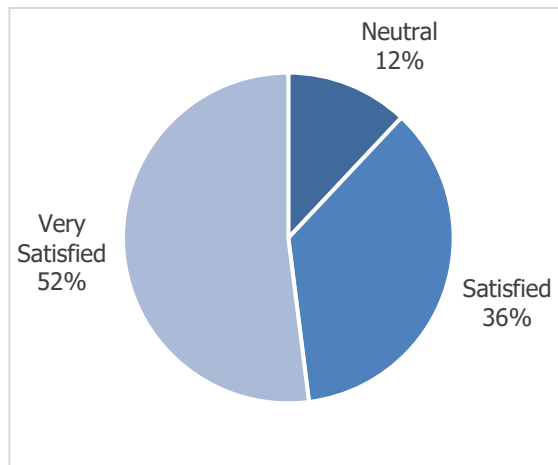
<sup>5</sup> UNDP's new Enterprise Resource Planning (ERP) system that replaced ATLAS, a legacy ERP system in January 2023

<sup>6</sup> UNDP's new Salesforce-based platform for planning, customer relationship management, and strategic monitoring.

<sup>7</sup> The audit team conducted a survey that was sent to all Country Offices under the purview of RBLAC.



**Figure 3:** How would you rate monitoring and oversight role that is performed by RBLAC HQ/over the Country Offices in your region?



No reportable issues were noted.

**Question 2. To what extent is RBLAC effectively discharging its monitoring and oversight responsibilities?**

The audit team reviewed the RBLAC Terms of Reference, specifically its roles and responsibilities in the second line of defense defined in the UNDP Internal Control Framework. During the review, the audit team assessed the actions taken by the various RBLAC teams and reviewed the documentation evidencing RBLAC’s oversight and monitoring roles.

The audit team noted that the Country Support Team and Compliance and Operations Team worked closely with the RBLAC Directorate to facilitate the oversight and monitoring of the activities of the Panama Regional Hub and Country Offices under its purview. The oversight activities included HACT

oversight, follow up on the implementation of audit recommendations, follow up on the financial exceptions in accounts payables, cash arrangements, Delivering Enabling Services, Advances to Partners, payroll exceptions, and the Internal Control Framework among other areas. Additionally, the audit team did not find any exceptions in RBLAC's Delegation of Authority.

Further, the audit team noted RBLAC payroll budget exceptions flagged on the Payroll Actual and Forecast PowerBI dashboard amounted to \$992,660.56 as of 15 January 2024 (Table 1). As of 8 February 2024, the balance was reduced to \$19,613.15 (Table 2). The audit team noted that RBLAC had the lowest payroll budget exceptions among all the five Regional Bureaus.

**Table 1:** Payroll budget exceptions as of 15 January 2024

Bureau	Payroll Expenditures posted to GL (in \$)	Project/Budget Exceptions (in \$)
RBA	290,620,732.48	9,517,858.24
RBAP	169,144,843.20	2,301,720.05
RBAS	189,502,161.48	2,456,388.08
RBEC	117,048,595.87	1,274,093.19
RBLAC	155,822,911.88	922,660.56

**Table 2:** Payroll budget exceptions as of 8 February 2024

Bureau	Payroll Expenditures posted to GL (in \$)	Project/Budget Exceptions (in \$)
RBA	297,311,721.97	2,573,713.53
RBAP	171,343,312.98	407,286.06
RBAS	191,724,989.41	107,786.19
RBEC	118,101,060.19	210,233.22
RBLAC	156,830,253.54	19,613.15

Also, the audit team noted that, as of 19 January 2024, the RBLAC budget exceptions represented 0.3 per cent of the overall payroll cost (\$0.51 million out of the total RBLAC payroll cost of \$156.31 million) compared to a corporate average of 1.3 per cent (\$17.7 million out of the total UNDP payroll cost of \$1.36 billion). This effective performance was attributable to close monitoring from the RBLAC Compliance and Operations Team, in close coordination with the RBLAC Deputy Director.

The audit team concluded that the oversight and monitoring functions performed by the different teams in RBLAC were working effectively. No reportable issues were noted.

**Question 3. Is the Regional Programme managed effectively and on track to achieve its expected results?**

The audit team performed an analysis of Regional Programme information and reviewed project documentation for four sampled out of 10 regional projects:

Project ID	Project Name	FY2023 Expenditures (\$) (as of 8 February 2024) <sup>8</sup>
127144 - 45	INFOSEGURA: Central America Evidence-Based Information Management for Citizen Security	2,487,792.57
107155	Being LGBTQI in the Caribbean project (BLIC)	261,926.57
102789	Strategic initiatives engagement facility	445,122.24
101116-20	CARISECURE	65,931.79

<sup>8</sup> These were provisional expenditure data as of 8 February 2024, taking into consideration that the Financial Year 2023 closure was ongoing.





<b>Total</b>		<b>3,260,773.17</b>

**Source:** Quantum Account Analysis Report as of 8 February 2024 as shared by RBLAC.

The review was complemented by interviews with the Regional Programme Coordinator, four project managers, and the Panama Regional Hub Manager.

The audit team noted a few exceptions related to the timeliness and completeness of project information in both Quantum and Quantum+. Details of this exception have been provided in the detailed assessment section below.

Question 4. To what extent are operations in RBLAC conducted effectively and efficiently?

Overall, operations (finance, procurement, and travel) were conducted effectively and in compliance with UNDP policies and procedures. No reportable issues were noted.

The detailed assessment is presented below:

**Issue 1**      Non-compliance with Project Board Meeting Procedures

The UNDP Programme and Operations Policies and Procedures mandates that appropriate management arrangements and oversight mechanisms should be established at the programme and project levels to ensure UNDP’s accountability for activities, results, and the use of resources.

*It further states that “All UNDP programmes and projects must be governed by a multi-stakeholder board or committee established to review performance based on monitoring and evaluation, and address implementation issues to ensure quality delivery of results.”* The project board is responsible for making management decisions by consensus when required, including the approval of project plans and revisions, and the project manager’s tolerances. It reviews evidence on project performance based on monitoring, evaluation, and reporting, including progress reports and the combined delivery report.

Project documents outline the timing and schedule of project board meetings to facilitate effective governance and decision-making. Adherence to these meeting structures and schedules is important for maintaining transparency and accountability in project management.

For the following projects, the audit team noted that project board meetings were not being organized in accordance with the established project documents:

- 1) CARISECURE: The Terms of Reference of the Project Board stipulated biannual project board meetings, more often as needed. A review of the documents indicated that the project board initially met biannually, but after November 2018, the meetings took place only annually. There was no indication in the Project Board meeting minutes that there was a consensus to shift to an annual project board meeting schedule.

Further, the Project Document indicated the management arrangements should include the establishment of a Project Review Committee (PRC). Per the Project Document, the PRC would “provide strategic technical oversight to the project for effective implementation, including



building synergies with ongoing activities in the country offices and the region and ensuring alignment with regional objectives.” It would include policy advisers from the UNDP Regional Hub along with national and regional experts on youth, citizen security, and other technical experts as required. The PRC would oversee and advise on technical aspects of the Project. Additionally, the PRC would provide recommendations and issues to the Project Board for consideration and decision-making. The PRC was scheduled to meet semi-annually, with the major decisions and agreements being presented to the Project Board for sign-off. There was no supporting documentation that the PRC was created, nor that meetings were held from 2018 up to the time of the audit as per the Project Document requirements.

The Project Management team indicated that the biannual meetings, as stipulated by the Project Document, were not conducted due to difficulties in organizing project board meetings. In addition, the Project Management team mentioned that although the establishment of the PRC was never formalized, regular ad hoc meetings involving the technical experts of the Regional Hub were held.

- 2) Being LGBTQI in the Caribbean: According to the Project Document, “the project’s governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project”. The meetings were scheduled to take place annually.

A review of the meeting minutes indicated that Project Board meetings were convened annually in 2021 and 2022. However, no meetings were conducted in 2023. The Project Management team acknowledged this lapse as an oversight.

Failure to adhere to the prescribed meeting structures and schedules outlined in project documents may lead to misalignment of project activities.

<b>Priority</b>	Medium (Important)
<b>Recommendation 1:</b>	
The Regional Bureau for Latin America and the Caribbean should: <ol style="list-style-type: none"> <li>a. initiate a review of project board meeting schedules and structures to ensure alignment with Project Document requirement.</li> <li>b. conduct periodic project board meetings in line with the Project Documents’ requirements.</li> </ol>	
<b>Management action plan:</b>	
The Regional Hub will: <ol style="list-style-type: none"> <li>a) Ensure that project board structures are in place in line with the project documents’ requirements;</li> <li>b) Schedule and conduct project board meetings in line with the project documents’ requirements.</li> </ol>	
<b>Estimated completion date:</b> March 2025	



**Issue 2**      Untimely and incomplete update of Project related information in Quantum+ and Quantum

The audit team noted the following exceptions during the review of the four sampled regional projects.

a) Incomplete project risk registers

Per UNDP Enterprise Risk Management Policy and Procedures, risk analysis requires an assessment of the likelihood of a risk and the potential impact on the objectives. The policy further states that *"for each High, Substantial or Moderate level risk one or more risk treatment measures must be identified"*.

The audit team reviewed Project Risk Registers in Quantum+ and observed that some information was missing:

- i) For the INFOSEGURA project, a total of 26 risks were identified. 13 out of 26 risks (50 per cent) were expired, 12 were an open "valid to" date and one was added in 2023. None of the 26 risks had a defined risk treatment plan.
- ii) For the CARISECURE project, a total of 25 risks were identified. None of the 25 risks had a risk treatment plan, nor evidence of periodic updates.
- iii) For the BLIC project, a total of six risks were identified, but none of them had accompanying risk treatment plans and evidence of periodic updates. Notably, five out of the six risks had surpassed their "valid to" date.

Incomplete project risks registers could weaken the organization's risk management.

**b) Incomplete Project Quality Assurance Documentation**

According to the UNDP Programme and Operations Policies and Procedures, Project Quality Assurance Assessors must conduct an implementation stage project Quality Assessment every two years. The assessment includes identifying management actions to address areas that need improvement.

The audit team reviewed Quantum+ Quality Assurance platform for 2023 and noted that:

- i) For the INFOSEGURA project, the quality assurance assessment was not documented in Quantum+. The Regional Programme shared an unsigned and undated Quality Assurance assessment with the audit team.
- ii) For the CARISECURE project, the project was closed in 2022, the "Closure Stage Quality Assurance Report" was uploaded in Quantum+. However, this document was incomplete: only three out of 20 questions were answered.



- iii) For the Being LGBTQI in the Caribbean project, there was a substantive revision of the project in 2023, the Quality Assurance assessment was a part of the revised Project Document. However, it was not uploaded in Quantum + during the time of the audit.

The Regional Programme team indicated that the challenges related to the transition into Quantum+ prevented timely documentation and upload of the Quality Assurance assessment.

Quality Assurance documentation incompletely recorded in Quantum + may impact the quality of the reporting of project results.

**c) Untimely update of the Procurement Plans in Quantum**

Per UNDP’s policy on Procurement Forecasting and Delivery, procurement planning in Quantum is recommended to be part of the project management cycle for any project. Meanwhile, it is mandatory for projects with complex business needs, and which are significant to UNDP’s performance and/or reputation to have a Procurement Plan in place.” In addition, it indicates that organizations must ensure that the Business Units “Consolidated Procurement Plan” are updated whenever new projects are approved, and/or when the procurement plans for already approved projects are modified.

The audit team noted that the 2023 procurement plans in Quantum were not updated: it showed a total amount of \$1.87 million instead of \$4.93 million, which was the total amount according to the Bureau. This was linked to challenges related to the transition to Quantum.

Untimely updates of procurement plan in Quantum may result in inefficient allocation of resources.

<b>Priority</b>	Medium (Important)
<b>Recommendation 2:</b>	
<p>The Regional Bureau for Latin America and the Caribbean should</p> <ul style="list-style-type: none"> <li>a. train regional project managers on the use of Quantum and Quantum + in project-related activities.</li> <li>b. establish review mechanisms to ensure the completeness and timely update of the project risk registers, the quality assurance documentation in Quantum+, and the procurement plans in Quantum.</li> </ul>	
<b>Management action plan:</b>	
<p>The Regional Hub will:</p> <ul style="list-style-type: none"> <li>a) Organize training for regional project managers to remind the importance of timely updates in Quantum + of the project risk registers, the quality assurance documentation, and the procurement plans in Quantum;</li> <li>b) Develop a Standard Operating Procedure to ensure that regional project managers complete and timely update the project risk registers, the quality assurance documentation, and the procurement plans in Quantum +.</li> </ul>	
<b>Estimated completion date:</b> March 2025	

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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.