

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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PERFORMANCE AUDIT
OF
UNDP MONITORING PRACTICES

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Report on a performance audit of UNDP Monitoring Practices Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a performance audit of UNDP Monitoring Practices from 28 July to 19 September 2014. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to monitoring practices. Specifically, the audit determined whether or not the programme monitoring practices were effective in supporting results reporting and continuous improvement of UNDP programmes to achieve the organization's objectives. The audit focused on the following questions:

- (a) Is UNDP monitoring system properly designed, making it possible for managers to sufficiently follow the programme performance achievements?
- (b) Are the ongoing corporate-level programming activities improving the monitoring system?
- (c) Are the support mechanisms effective in facilitating and maximizing the use of the system?

The audit covered the activities of 10 country offices from 1 January 2013 to 31 August 2014. Starting from UNDP's practices on monitoring and having input from internal and external experts on project monitoring, the audit assessed UNDP's monitoring tools and practices, from planning to implementation stage as well as the use of monitoring data for management actions and decision-making. The assessment was UNDP-wide with samples of projects from all regions. It also involved in-depth review of some key projects' monitoring practices with a view to identify good practices.

Overall audit rating

OAI assessed the UNDP Monitoring Practices to be **partially satisfactory**, which means "Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity." The rating was mainly due to weaknesses in monitoring system design and in the use of resources.

Key recommendations: Total = 3, high priority = 3

The three recommendations aim to ensure the following: (a) achievement of the organization's strategic objectives (Recommendations 1 and 3); and effectiveness and efficiency of operations (Recommendation 2).

For high (critical) priority recommendations, 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.

The audit noted some weaknesses in the following areas:

- (a) Monitoring system design: The UNDP monitoring systems and practices were not designed to enable managers to sufficiently follow project performance. Prescriptive content provided by POPP was not sufficient and not detailed enough. This led to different interpretations and the application of the monitoring tools was inconsistent, thus affecting corporate reporting. It was difficult to trace linkages between project and programme results and there was a lack of standardized data collection methodologies.
- (b) Capacity/resources: Despite the approval of the human resources benchmarks for monitoring and evaluation, the implementation of the benchmarks for staffing has not been completed at the time of

- (c) the audit. In general, staff assigned to perform monitoring function did not possess enough technical knowledge and no specific training in monitoring was provided or required.
- (d) Tools/support: The available tools (Integrated Work Plan, Result Oriented Annual Report, Atlas Project Management Module, Integrated Results and Resources Framework, Executive Snapshot) did not fully meet users' needs, especially at the country office level. This was mainly because the tools were not integrated and users needed to obtain information from three different sources (e.g. the old and the new Executive Snapshot, Atlas, the Enhanced Result Based Management Tool, in order to have a comprehensive status of a project.) The help-desk functions related to monitoring were not clear and widely communicated.

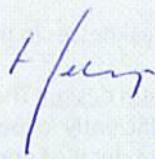
To address these weaknesses, OAI proposes three recommendations ranked 'high-priority', as follows:

- (a) Collect and integrate Country Office experience from users in the field through Regional Bureaux and Regional Hubs and finalize a UNDP Monitoring Policy that: (a) sets the standards and prescriptive requirements for monitoring; and (b) allows flexibility for creation of country/regional-specific systems (Recommendation 1).
- (b) Create an integrated platform that will aggregate priority results relevant for a high-level corporate reporting with an underneath level that allows country offices to collect/analyse/use data as per country priorities and feeds into the corporate level (Recommendation 2).
- (c) To implement Country Office Support Initiative: (a) commit adequate resources including implementation of the benchmarks for staffing; and (b) ensure a comprehensive knowledge on monitoring, monitoring components and their relations, and technical knowledge for effective use of monitoring tools is provided through training (Recommendation 3).

Management comments and action plan

The Director of the Bureau for Policy and Programme Support accepted all the recommendations and is in the process of implementing them. Comments and/or additional information provided had been incorporated in the report, where appropriate.

Issues with less significance (not included in this report) have been discussed directly with management and actions have been initiated to address them.



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