

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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PERFORMANCE AUDIT

OF

THE REGIONAL PROGRAMME FOR

AFRICA

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Report on the Performance Audit of the Regional Programme for Africa Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a performance audit of the UNDP Regional Programme for Africa 2014-2017 (the Programme) from 15 June to 30 July 2015. Performance auditing is an independent examination of a programme, function, operation, project, or the management systems and procedures of an entity to assess whether the entity is achieving economy, efficiency and effectiveness in the employment of available resources.

The objective of this audit was to assess the planning and implementation of the Programme, in line with UNDP policies and with the recommendations of the evaluations and reviews of the previous Regional Programme. In order to assess the audit objective, the audit focused on two main audit questions:

- (a) Has the planning of the Programme been adequate to support the Programme in achieving its outcomes?
- (b) Is there an adequate governance structure to support the Programme?

The audit covered the activities of the Programme from 1 January 2014 to 30 May 2015. Expenditures totalled \$25.6 million in 2014 and \$6 million as of 30 May 2015, including spending on projects from the previous Regional Programme cycle.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Overall audit rating

OAI assessed the planning and the governance structure of the Programme as **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 (Programme)." This rating was mainly due to weaknesses in project design, lack of an operational monitoring framework and plan, insufficient focus on resource mobilization and lack of adequate cost recovery.

Conclusions

The planning of the Programme and its respective projects was in part adequate. However, there was no comprehensive consultation with the donor community, neither during programme nor during project planning. This could reduce the possibilities of mobilizing external resources.

The Programme was aligned with the 'UNDP Strategic Plan 2014-2017' and the African Union's vision as expressed in the "Agenda for 2063". The Regional Bureau for Africa (RBA) limited the number of outcomes and outputs per project in line with recommendations from previous evaluations. The five new projects developed were, however, complex and diverse in their set-up. They carried more of the characteristics of thematic programmes than those of specific projects.

There were weaknesses in the design of the Programme and its projects, which may affect the effectiveness of the projects. In particular, the 'Integrated Results and Resources Frameworks' showed deficiencies and inconsistencies, which could cause difficulties in monitoring the progress and results of the envisaged activities. RBA did not establish an operational monitoring framework and a monitoring plan for the Programme. This may weaken the oversight and the possibility to demonstrate the value added in each of the outcomes.

Limited funds were available for the Programme's activities due to cuts in core funds and limited funding from other sources. The Programme needed to mobilize at least \$140 million in order to achieve full delivery of the Programme's activities. Recently, efforts to mobilize resources have been intensified. It may, however, be challenging for UNDP to achieve substantial additional funding for the Programme at this stage and a prioritization and revision of the planned objectives may be necessary (refer to Recommendation 1 below).

There was an adequate management structure to support the Programme. RBA developed an Accountability Framework for the Programme and the reporting lines were working well. The Programme Advisory Board met once in 2014, but was not consulted on the challenges related to resource mobilization and priorities following cuts in core funds in 2015. This may weaken stakeholder involvement in the Programme.

The Programme was charged for the salary cost of staff members, which was not based on the actual time spent on the Programme. There was no overview of how much time staff from the Bureau for Policy and Programme Support (BPPS) and other support staff working for the Programme, in addition to other tasks, spent on the Programme to ensure adequate cost recovery. Furthermore, salaries were paid to five staff members through inactive projects from the previous Regional Programme.

Due to a combination of unforeseen budget cuts, insufficient emphasis on resource mobilization at the planning stage, and an 'Integrated Results and Resources Framework' that did not provide for results monitoring and reporting, the Programme's contribution to the outcomes of the 'UNDP Strategic Plan 2014-2017' may be limited.

Key recommendations: Total = 5, high priority = 2

The five recommendations aim to ensure the following: achievement of the organization's strategic objectives (Recommendation 1, high and Recommendation 3, medium); and effectiveness and efficiency of operations (Recommendation 2, high and Recommendations 4 and 5, medium).

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 two high (critical) priority recommendations (1 and 2) are presented below.

Recommendation 1. The Regional Bureau for Africa should systematically implement the most important components in the project portfolio, bearing in mind available resources, by:

- (a) re-evaluating the planned activities, sharply focusing on limiting the number of activities to those which have a high potential impact and activities that do not require an investment budget;
- (b) producing a financial projection for the remaining period of the Regional Programme based on realistic costs and resource mobilization estimates; and
- (c) drafting a detailed activity implementation plan for the remaining programme period.


Recommendation 2. The Regional Bureau for Africa should improve monitoring of the Programme and its projects by:

- (a) reformulating the 'Integrated Results and Resources Framework' through re-assessing the formulation of outcome and output targets, reducing the number of indicators, and avoiding making use of indicators that cannot be supported by reliable and readily available baseline data;
- (b) implementing a monitoring plan for quarterly and annual reporting;
- (c) establishing baselines and a system for data collection and clear roles and responsibilities for data delivery, analysis and quality assurance; and
- (d) closing all projects from the previous Regional Programme cycle.

Management comments and action plan

The Regional Bureau for Africa accepted all of the recommendations and is in the process of implementing them. Comments and/or additional information provided have 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.



Helge S. Ostveiten
Director
Office of Audit and Investigations