



PERFORMANCE AUDIT

OF

UNDP

RESULTS BASED MANAGEMENT

Report No. 1549

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Report on the Audit of UNDP Results Based Management Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a performance audit of UNDP Results Based Management (RBM) from 2 November to 15 December 2015.

In UNDP RBM is a policy and a practice of management in which inter alia programmes and management activities in general should be guided by evidence from monitoring, evaluations, audits and other sources of evidence. RBM is intended to subsequently improve the quality of programmes and projects by improving the design and delivery of the programmes and projects.

The audit focused on three main audit questions:

1. To what extent are policies and practices of RBM in UNDP addressing the challenges related to the quality of programmes and projects in UNDP?
2. To what extent is information on results used as evidence to support decision-making in programming?
3. To what extent is management of the enhancement of RBM effective?

The audit covered the activities from 1 January 2013 to 30 September 2015. This was the first audit of RBM.

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

Overall audit rating

OAI assessed the policies and practices of RBM as **satisfactory**, which means that internal controls, governance and risk management processes were adequately established and functioning well. The current policy reforms and practices of RBM addressed the challenges related to the quality of programmes and projects and brought more coherence to the work of managing for results in UNDP, both at the corporate and at the field level.

In addition, in the process audited information on results was used as evidence to support decision-making in programming. Finally, the management of the enhancement of RBM was to a large extent effective at the headquarters level, as governance mechanisms were established and effective. No major issues were identified that would significantly affect the achievement of the objectives related to enhanced quality of programmes and projects in UNDP.

Key recommendations: Total = 5, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are five medium (important) priority recommendations, which means, "Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP." These recommendations include actions to address the following: insufficient guidance on the concept and use of the Theory of Change; validation for the proposed quality assurance tool and updating guidance material; TRAC-2 not used as an incentive for good performance; the lack of clarity on the allocation of resources to complete the enhancement process; and the weaknesses in assessing training needs.

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

Management comments and action plan

The Director of the Bureau for Policy and Programme Support accepted all five 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.



Helge S. Ostveiten
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