

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



PERFORMANCE AUDIT

OF

UNDP ACCELERATOR LABS PROJECT

Report No. 2216
Issue Date: 28 January 2021

Report on the Performance Audit of UNDP Accelerator Labs Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a performance audit of UNDP Accelerator Labs project from 19 October to 20 November 2020. 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 aimed to assess: (a) the progress in the implementation and management of the UNDP Accelerator Labs project (including the structure of the Country Office Accelerator Lab Network and the Network Hub); (b) the extent to which Country Offices and partners have been able to increase their capacities for scanning, sensemaking, and experimenting for sustainable development solutions; and (c) whether the new solutions have been scaled up at the country level, and have led to building a global learning network.

Specifically, the audit aimed to assess the following questions:

1. Are the governance arrangements for the implementation of the UNDP Accelerator Labs project adequately established and functioning?
2. Have the monitoring plans been adequately established and implemented?
3. Are the project results at an output level measurable, were targets achieved, and was impact effectively assessed?

The audit covered the activities from 1 January 2019 to 31 August 2020. The UNDP Accelerator Labs project recorded \$21.2 million in expenditures for the 60 Country Office Accelerator Labs under implementation during the audit period. This was the first audit of the UNDP Accelerator Labs project.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Due to the COVID-19 pandemic, the audit was conducted remotely. Scope limitations due to the nature of the remote audit related to the following activities:

- (a) A review of original supporting documentation could not be carried out, and therefore the audit team relied on scanned copies of documents provided by the UNDP Accelerator Labs for all audit areas reviewed.
- (b) Meetings with office staff and personnel were carried out virtually, which limited the audit team's understanding of the UNDP Accelerator Labs working environment.
- (c) Project visits (location, site visits, meeting with counterparts/beneficiaries) were not conducted.

Overall audit rating

OAI assessed the UNDP Accelerator Labs project performance 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 challenges in project sustainability, management of intellectual property rights, and monitoring and guidance on achievement of project results.

Key recommendations: Total = **9**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There are nine medium (important) priority recommendations, which means "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP."

Objectives	Recommendation No.	Priority Rating
Achievement of the organization's strategic objectives	1, 2	Medium
Reliability and integrity of financial and operational information	3	Medium
Effectiveness and efficiency of operations	4, 5, 6, 7, 8, 9	Medium

Management comments and action plan

The Director, Executive Office, accepted all nine recommendations and is 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.


Helge
Osttveiten
2021.01.28
12:47:25
-05'00'
Helge S. Osttveiten
Director
Office of Audit and Investigations