

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



THEMATIC AUDIT

OF

PROJECT MONITORING AND OVERSIGHT PRACTICES

IN

REGIONAL BUREAU

FOR EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES

Report No. 2578
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Report on the Thematic Audit of Project Monitoring and Oversight Practices in the Regional Bureau for Europe and the Commonwealth of Independent States Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a thematic audit of project monitoring and oversight practices in the Regional Bureau for Europe and the Commonwealth of Independent States (RBEC or the Regional Bureau) from 16 September to 14 October 2022.

The audit covered the period from 1 January 2020 to 31 March 2022 and was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors (The IIA). The audit was conducted remotely.

This thematic audit was undertaken using performance audit methodology. 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 assessed whether project monitoring and oversight practices at the Regional Bureau level and at the Country Offices supported their Country Programme results. The review included an assessment of the design of project monitoring frameworks, Country Office capacities to adequately monitor projects, and quality assurance processes to validate data used for decision-making and risk management. In assessing this, the audit team reviewed the Country Offices' capacities for effective implementation of programmes and projects, including a review of the corporate monitoring system for results tracking and risk management.

Further, the audit team reviewed the role of the Regional Bureau in exercising its oversight function as the "second line" for effective programme delivery.

The following performance audit questions guided the work of the audit team:

Question 1. Were Country Offices successful in monitoring the achievement of project results and addressing any deviations from agreed work plans?

Question 2. Has the Regional Bureau established effective oversight mechanisms to ensure adequate monitoring of projects and programmes at the Country Office level?

Overall audit rating

OAI assessed the project monitoring and oversight practices at the Regional Bureau level 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 inadequate planning of monitoring resources and implementation of monitoring activities, and inadequate risk monitoring practices.

RBEC established effective oversight mechanisms and tools to ensure adequate monitoring of projects and programmes at the Country Office level. RBEC also held semi-annual discussions with the Country Offices, during which the targets and indicators, project implementation and monitoring capacity, partnership and pipelines, and operations and risk management were reviewed, among others. The results were documented in the Country Office Scans reports.

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



Management comments and action plan

The Assistant Administrator and Director of the Regional Bureau for Europe and the Commonwealth of Independent States accepted both 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.

Manoel Grib

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