

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



**THEMATIC AUDIT**

**OF**

**PROJECT MONITORING AND OVERSIGHT PRACTICES**

**IN**

**THE REGIONAL BUREAU FOR LATIN AMERICA AND THE CARIBBEAN (RBLAC)**

**Report No. 2579**  
**Issue Date: 19 January 2023**

## Report on the Thematic Audit of Project Monitoring and Oversight Practices in the Regional Bureau for Latin America and the Caribbean (RBLAC) 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 Latin America and the Caribbean (RBLAC or the Regional Bureau) from 4 to 23 July 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*. 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 the achievement of 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 the following: (i) insufficient planning for results-based budgeting; (ii) ineffective project-level risk management; and (iii) insufficient funding for supporting monitoring and evaluation mechanisms at small-size Country Offices.

**Key recommendations:** Total = **3**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There are three medium (important) priority recommendations, which means "Action is required to ensure UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address weaknesses in project budgeting and risk management, and the need to increase support to small Country Offices in terms of monitoring and evaluation.



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### Management comments and action plan

The Assistant Administrator and Director of the Regional Bureau for Latin America and the Caribbean accepted the three 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.

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