



CONSOLIDATED REPORT ON THE THEMATIC AUDIT

OF

PROJECT MONITORING AND OVERSIGHT PRACTICES

IN

UNDP

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**Consolidated Report on the Regional Thematic Audits of Project Monitoring
and Oversight Practices in UNDP
Executive Summary**

The Office of Audit and Investigations (OAI), as part of its 2022 annual work plan, conducted the thematic audit of project monitoring and oversight practices in UNDP in five Regional Bureaux and related Country Offices on a sample basis. Separate audit reports were issued for each of the five Regional Bureaux. This report provides a consolidated summary of the five reports and covers the following Regional Bureaux: Africa (RBA); Arab States (RBAS), Asia and the Pacific (RBAP); Europe and the Commonwealth of Independent States (RBEC); and Latin America and the Caribbean (RBLAC).

Programme and project management continued to be one of the areas with the highest number of audit observations, with these recurring in the last six years. This thematic audit also served to provide an understanding of the root causes of the issues noted, in addition to identifying corrective actions to enhance the delivery of development results.

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.

Thematic audit objective

The audit assessed whether project monitoring and oversight practices at the Regional Bureaux 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.

A survey was conducted by OAI to assess: (i) the resources and capacity for project and Country Office monitoring results; (ii) implementing partners' capacities; and (iii) the sufficiency, efficacy and satisfaction of support provided by the Regional Bureaux. A total of 181 responses were received, with the key areas of resources and capacity training in monitoring practices being priority areas for support. Further, the audit reviewed the role of the various Regional Bureaux in exercising their oversight functions as the 'second line of defense' for effective programme delivery.

The following performance audit questions guided the work of the audit teams in responding to the main audit objective:

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

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

The audit referenced the UNDP Accountability Framework and Oversight Policy (DP/2008/16), the UNDP Programme and Operations Policies and Procedures and the UNDP Enterprise Risk Management (ERM) Policy as audit criteria to assess whether project monitoring and oversight practices at the Country Office level and at the Regional Bureaux level supported the achievement of Country Programme results.

This audit reviewed 106 projects in 59 Country Offices across the five Regional Bureaux.

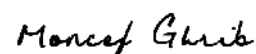
Results of OAI's review

All five reports were rated **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."

OAI made a total of 10 recommendations, 9 of which were rated medium priority while one was rated high priority. The high-priority recommendation was aimed at enhancing the management and oversight of project risks through qualitative reviews of risk logs, addressing gaps in oversight capacities, and the development of guidance notes/checklists to support project risk quality assurance and monitoring and evaluation.

Out of the 10 recommendations, 8 related to performance audit question 1, while 2 related to performance audit question 2. The 10 recommendations addressed the following monitoring gaps: poorly designed results frameworks and risk monitoring; weak monitoring, reporting and oversight of project results; insufficient planning and results-based budgeting; and insufficient funding for supporting monitoring and evaluation mechanisms in small-size offices. The one high-priority recommendation addressed the gaps in RBAS's oversight mechanisms over Country Office project risk management and quality assurance.

This consolidated report includes one recommendation addressed to the Bureau for Policy and Programme Support to address policy gaps related to the management and oversight of high-risk projects and portfolios.



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