

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



**THEMATIC AUDIT**

**OF**

**PROJECT MONITORING AND OVERSIGHT PRACTICES**

**IN**

**THE REGIONAL BUREAU FOR ARAB STATES**

**Report No. 2604**  
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## Report on the Thematic Audit of Project Monitoring and Oversight Practices in the Regional Bureau for Arab 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 Arab States (RBAS or the Regional Bureau) from 13 September to 7 October 2022.

The audit 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 supported Country Offices in achieving their intended results as indicated in their respective Country Programme Documents. 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 also reviewed the role of the Regional Bureau in exercising its oversight function as the 'second line of defense' 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 weaknesses in the following areas: design of results frameworks, and oversight and management of project risks.

The audit team found that documentation pertaining to results monitoring as required by the policy was in place for the selected projects reviewed. However, project results frameworks were not adequately established to support effective monitoring of results.

Oversight mechanisms from the Regional Bureau over the Country Office results monitoring practices were in place in terms of compliance with the Regional Bureau's terms of reference. However, challenges were faced during the project implementation phase, in terms of effectiveness (risk oversight limited to data entry requirements, quality assurance requirements and project data quality dashboard not sufficiently monitored).



**Key recommendations:** Total = 2, high priority = 1

For high (critical) priority recommendations, prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP. The high (critical) priority recommendation is presented below:

Gaps in the Regional Bureau's oversight mechanisms over Country Office project risk management and quality assurance practices

The RBAS oversight mechanisms over Country Office project monitoring practices were adequately established but not fully functioning since the focus was on compliance rather than improving the overall quality of monitoring practices. The following issues were noted:

a) Risk oversight was limited to data entry requirements

Risk logs were missing important information, and there were inconsistencies between risk information in Atlas and those in project documents. Risks not regularly updated, not included in progress reports and not reported to project boards for decision-making;

b) Lapses in the monitoring of quality assurance requirements and project data quality dashboard

- Only one country had completed all 17 required project quality assurance actions in 2021 and 2022.
- For the remaining four countries, 4 to 39 projects required quality assurance actions that had not been completed for 2021 and 2022.
- No project document had been drafted for 10 projects in four of the five sampled countries.
- The quality of 13 percent of the project documents was assessed as "not ok" for all five countries.

Recommendation: The Regional Bureau for Arab States should enhance the management and oversight of project risks by: (a) conducting an in-depth and qualitative review of project risk logs on a sample basis; (b) filling possible gaps in oversight capacities in some Country Offices through remote support and/oversight support missions; and (c) developing a checklist/guidance note with respect to project risk log quality assurance review processes to be used to facilitate monitoring and oversight of quality assurance of country projects risk registers.



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### Management comments and action plan

The Assistant Administrator and Director of the Regional Bureau for Arab States accepted the two 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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Officer-in-Charge  
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