JOINT AUDIT

OF THE GOVERNANCE ARRANGEMENTS

OF THE SUSTAINABLE DEVELOPMENT GOALS FUND

Report No. 1885
Issue Date: 30 November 2017
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Report on the Audit of Governance Arrangements of the Sustainable Development Goals Fund

Executive Summary

The internal audit services of three United Nations organizations, i.e., the Office of Internal Audit and Oversight of the ILO (IAO); the Office of Audit and Investigations of UNDP (OAI); and Office of Internal Audit and Investigations of UNICEF (OIAI) collectively referred to herein as the “internal audit services” or “the joint audit team” conducted a joint audit of the governance arrangements of the Sustainable Development Goals Fund (SDG-F), from 5 to 23 June 2017, in New York. The joint audit team covered the governance arrangements of the SDG-F from 1 December 2013 to 30 April 2017.

The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the following areas and sub-areas:

- SDG-F Secretariat and Functions
- Joint Programmes and UN Partnerships
- Monitoring and Evaluation Framework
- Narrative Reporting
- Resource Mobilization
- Private Sector Advisory Group
- Knowledge Management

The governance and management of the SDG-F is comprised of (a) the Steering Committee, (b) the Secretariat, and (c) the Multi-Partner Trust Fund Office (MPTF). The Steering Committee consists of the donor(s) and UNDP, and should convene once per year. The MPTF serves as the Administrative Agent for the SDG-F. The Secretariat plays a key role in the governance of the SDG-F.

The audit covered the activities of the Office from 1 December 2013 to 30 April 2017. Since its inception, it had received $58 million and $172,000 in refunds, it transferred $32.4 million to Participating United Nations Organizations (PUNOs) and was charged $9.5 million by the Secretariat for direct costs, which include global programmes, staff and operations expenses. As of 15 June 2017, the SDG-F had $16 million with the MPTF as the Administrative Agent. In addition, the SDG-F incorporated the requisite of matching funds, and $40 million was mobilized as matching funds for the first round of joint programmes. The SDG-F was established incorporating the lessons learned and the experience of the MDG Achievement Fund with the intent of actively contributing to the discussions of the post-2015 development agenda. This was the first audit of the SDG-F governance arrangements.

The audit was conducted in conformance with the Framework for Joint Internal Audits of United Nations Joint Activities of the United Nations Representatives of Internal Audit Services (UN-RIAS) and in conformance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors. These standards require that the internal auditors plan and perform the audit to obtain reasonable assurance on the adequacy and effectiveness of governance, risk management and control processes related to the audited activities. The audit included reviewing and analysing, on a test basis, information that provides the basis for conclusions and audit results.
Previously, OAI of UNDP conducted the audits of the Administrative Agent function of the SDG-F, fulfilled by the MPTF Office in New York (OAI report no. 1785 published 2 May 2017), and of the Joint Programme in Colombia funded by the SDG-F (OAI report no. 1810, 18 September 2017).

As envisioned in the Framework for Joint Internal Audits of United Nations Joint Activities, a consolidated audit report will be issued. It will include the results of the internal audits carried out at the level of each PUNO, the results of the audit from the Administrative Agent function, as well as the present audit of the governance arrangements of the SDG-F.

**Overall audit rating**

OAI assessed the governance of the SDG-F as unsatisfactory, which means “The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.” This rating was mainly due to the SDG-F Secretariat’s lack of approved terms of reference and inadequate risk register, low frequency of meetings held by the Steering Committee, and incomplete work planning such as monitoring, evaluation, and budgeting activities.

**Key recommendations**: Total = 7, high priority = 3

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<tr>
<th>Objectives</th>
<th>Recommendation Nos.</th>
<th>Priority Rating</th>
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<tbody>
<tr>
<td>Achievement of the organization’s strategic objectives</td>
<td>2</td>
<td>High</td>
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<tr>
<td>Reliability and integrity of financial and operational information</td>
<td>7</td>
<td>Medium</td>
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<td>Effectiveness and efficiency of operations</td>
<td>-</td>
<td>-</td>
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<td>Compliance with legislative mandates, regulations and rules, policies and procedures</td>
<td>1</td>
<td>High</td>
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<td>4</td>
<td>Medium</td>
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<td>5, 6</td>
<td>Medium</td>
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For high (critical) priority recommendations, prompt action is required to ensure that the SDG-F is not exposed to high risks. Failure to take action could result in major negative consequences for the SDG-F. All high (critical) priority recommendations are presented below:

**Weaknesses in the establishment of the SDG-F Secretariat (Issue 1)**

The SDG-F Secretariat had not developed internal controls to support its work planning and intended mandate. Three and a half years after the Administrative Agreement was signed, where it was stated that ‘the intent was for the SDG-F to be a permanent facility’, the joint audit team found that:

- There were no approved terms of reference by the Steering Committee to guide the work of the Secretariat.

- The SDG-F was using the annex document to the SDG-F Action Plan, with references to respective risks as a risk register. However, the risk register was not actively used to manage key risks, per the UNDP policies, as it did not include the risk owners. The audit also noted that the Steering Committee
had only met five times since the establishment of the SDG-F in 2013 for reasons beyond the control of the Secretariat. The minutes and duration of the meetings indicated that the discussions were high level and abstract. The Secretariat convened the last Steering Committee meeting in September 2015.

**Recommendation 1:** The Secretariat should strengthen its internal controls by: (a) seeking the approval of terms of reference by the Steering Committee to guide its work and mandate; and (b) developing tools to actively manage risks of the SDG-F, as described in the risk register.

**Recommendation 2:** The UN representative in the Steering Committee should address the issue of the Steering Committee convening regularly, so as to ensure that the Committee is informed by the Secretariat on the progress of the SDG-F’s activities in achieving its mandate, and to enhance supervision.

### Incomplete monitoring and evaluation and budgeting in Secretariat work planning (Issue 2)

The Secretariat did not fully document the budget and expenses for individual tasks in its departmental work plan. The joint audit team review of the 2014-2016 work plan found that the plan listed summary level tasks with an aggregated cost allocation.

The monitoring and evaluation strategy indicated missions to 18 of the 22 joint programme operations. The purpose of the missions was to improve programme management, communications and knowledge management and to prepare reports to all partners and stakeholders. The Secretariat conducted 4 of these 18 planned monitoring visits due to an unrealistic work plan.

**Recommendation 3:** The Secretariat should complete its work planning by: (a) adding the state of completion and expenditure incurred for all budgeted tasks; and (b) establishing a field monitoring mission for joint programmes and extensions of existing ones that is consistent with budgeted resources.

### Management comments and action plan

The Director of the SDG-F Secretariat accepted all of the recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.
Issues of low risk (not included in this report) have been discussed directly with management and actions have been initiated to address them.

Helge S. Osttveiten  
Director  
Office of Audit and Investigations
1. **About the Sustainable Development Goals Fund**

The Sustainable Development Goals Fund (SDG-F) is a multi-donor, multi-partner development mechanism created in December 2013 under an Administrative Agreement signed between UNDP and the Government of Spain. The SDG-F Secretariat is located within UNDP’s Bureau for External Relations and Advocacy (BERA) in New York. At the time of the audit, the Secretariat had six staff holding fixed-term appointments and one individual contractor working at its offices in New York. The purpose of the SDG-F is to support sustainable development activities through integrated and multidimensional joint programmes and partnerships to address the poverty challenges. The SDG-F is the first mechanism specifically created to help countries achieve their SDGs by 2030. In its first round of funding, there were 14 United Nations agencies implementing joint programmes and activities in 22 countries, with matching contributions from national counterparts or international entities working locally.

2. **Audit results**

Satisfactory performance was noted in the following areas:

(a) **Private Sector Advisory Group (PSAG)**. The PSAG through its terms of reference adequately facilitated the cooperation between the SDG-F and the private sector. It published two reports with a wide advocacy audience incorporating SDGs in corporate programming.

(b) **Knowledge management**. The SDG-F Secretariat created processes to ensure that lessons learned from the MDG Fund could support the joint programmes of the SDG-F.

The joint audit team made seven recommendations, three ranked high (critical) and four ranked medium (important) priority.

Low risk issues/recommendations were discussed directly and agreed with the Office and are not included in this report.

**High priority recommendations**, arranged according to significance:

(a) The Secretariat should strengthen its internal controls (Recommendation 1).

(b) The UN representative in the Steering Committee should address the issue of the Steering Committee convening regularly (Recommendation 2).

(c) The Secretariat should complete its work planning including site visits aligned to the available resources (Recommendation 3).

**Medium priority recommendations**, arranged according to significance:

(a) The Secretariat should review and refine its resource mobilization strategy and implementation approach and closely monitor its resource mobilization efforts (Recommendation 7).

(b) The Secretariat should include a minimum threshold for concept notes (Recommendation 4).

(c) The Secretariat should submit to the Steering Committee all requests for extensions of any activity funded (Recommendation 5).

(d) The Secretariat should improve its monitoring and quality assurance processes (Recommendation 6).

The detailed assessment is presented below, per audit area:
A. SDG-F Secretariat and Functions

Issue 1  Weaknesses in the establishment of the SDG-F Secretariat

The SDG-F Administrative Agreement states that the SDG-F is governed by the applicable policies and procedures of UNDP. Under ‘UNDP’s Operational Guide of the Internal Control Framework’, the head of office is responsible for ensuring that the office’s internal control procedures are documented. Periodically and at least annually, the head of office should update and sign the office’s documented internal control procedures and file them for future reference and audit. Such internal control procedures help provide structure, which then serves as a basis on which to strategize and plan. The SDG-F Administrative Agreement also states that the Secretariat implements decisions adopted by the Steering Committee.

The SDG-F Secretariat had not developed internal controls to support its work planning and intended mandate. Three and a half years after the Administrative Agreement was signed, where it was stated that ‘the intent was for the SDG-F to be a permanent facility’, the joint audit team found that:

- There were no approved terms of reference by the Steering Committee to guide the work of the Secretariat.
- The SDG-F was using the annex document of the SDG F Action Plan as a risk register. However, the risk register was not actively used to manage key risks, per the UNDP policies, as it did not include the risk owners.

At the time of the audit fieldwork, the Steering Committee had only met five times since the establishment of the SDG-F in 2013. The infrequent Steering Committee meetings were primarily due to donor-related issues that were beyond the control of the Secretariat. The minutes and duration of the meetings indicated that the discussions were high level and abstract. The Secretariat convened the last Steering Committee meeting in September 2015.

The absence of terms of reference, long-term strategies and plans, and incomplete risk management may hinder the ability of the SDG-F to fulfil its mandate for the post 2030 development agenda. Failure of the Steering Committee to convene on a periodic basis to enact decisions in support of the 2030 agenda limits the ability of the SDG-F Secretariat to perform its intended role.

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<th>Priority</th>
<th>High (Critical)</th>
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**Recommendation 1:**

The Secretariat should strengthen its internal controls by:

(a) seeking the approval of terms of reference by the Steering Committee to guide its work and mandate; and

(b) developing tools to actively manage key risks to the SDG-F, as described in the risk register by adding risk owners.

**Management action plan:**

(a) The SDG Fund Secretariat endorses the principles of this recommendation. In addition, as a multi-donor trust fund managed under the aegis of UNGD guidelines for MDTF, the SDG-F Secretariat already follows the principles and guidelines agreed upon for managing these types of pooled funds.
including their generic templates (ToRs for Steering Committee and ToRs for MDTFs). The foundational documents of the SDG-F approved in March 2014 included already a mandate and list of functions similar to those included in the generic UNDG ToRs for MDTFs. The SDG-F developed SDG-F ToRs (between 2016 and 2017) that include functions and responsibilities of the SDG-F Secretariat. It is expected that the new ToRs, which have been already finalized, will be approved and endorsed by Steering Committee members in its next meeting.

(b) Following the lead auditor’s advice in a phone conversation (October 2017), the SDG-F will add an additional column to the risk matrix where risk owners will be identified.

**Estimated completion date:** December 2017

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<th>Priority</th>
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<tr>
<td><strong>Recommendation 2:</strong></td>
<td>The UN representative in the Steering Committee should address the issue of the Steering Committee convening regularly, so as to ensure that the Committee is informed by the Secretariat on the progress of the SDG-F’s activities in achieving its mandate, and to enhance supervision.</td>
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| **Management action plan:** | Secretariat is preparing to have the Steering Committee on 5 December 2017. |
| **Estimated completion date:** | December 2017 |

**Issue 2**  
**Incomplete monitoring and evaluation and budgeting in Secretariat work planning**

Units are accountable for developing clear results and have to monitor and report on the progress in achieving these results based on available evidence. The approval and quality assurance of the Integrated Work Plan resides with the bureaux responsible for overseeing the work of the units. As part of BERA, the SDG-F Secretariat has provided inputs and contributed since its inception to the Bureau Integrated Work Plan.

The Secretariat did not fully document the budget and expenses for individual tasks in its departmental work plan. The joint audit team’s review of the 2014-2016 work plan found that the plan listed summary level tasks with an aggregated cost allocation.

The monitoring and evaluation strategy indicated missions to 18 of the 22 joint programme operations. The purpose of the missions was to improve programme management, communications and knowledge management and to prepare reports to all partners and stakeholders. The Secretariat conducted 4 of these 18 planned monitoring visits, due to an unrealistic work plan.

The Secretariat updated the work plan during the audit fieldwork and provided a copy for the joint audit team after the exit meeting. The updated work plan showed the state of completion of certain activities and deliverables at an aggregated level.
Incomplete monitoring and evaluation strategy of work planning by the Secretariat may hinder the execution of its tasks.

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<th>Priority</th>
<th>High (Critical)</th>
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**Recommendation 3:**

The Secretariat should complete its work planning by: (a) adding the state of completion and expenditure incurred for all budgeted tasks; and (b) establishing a field monitoring mission for joint programmes and extensions of existing ones that is consistent with budgeted resources.

**Management action plan:**

The SDG Fund Annual Work Plan for 2018 will incorporate a column with budget information from the Atlas financial system and the SDG-F will continue to apply UNDP policies and procedures regarding annual work planning, as it has been done to date.

The SDG-F Secretariat also acknowledges the recommendation to conduct field monitoring visits to all countries where possible, while trying to balance the available human and financial resources and will follow the recent recommendations on travel by the UN Secretary-General ("travel should be curtailed to the extent possible"). By the end of 2017, the Secretariat will complete a total of eight monitoring visits. The SDG-F Secretariat will also raise this recommendation to the Steering Committee for its endorsement.

**Estimated completion date:** June 2018

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**B. Joint Programme and UN Partnerships**

**Issue 3**  
**Unclear basis for approval of concept notes for joint programmes**

UNDP’s policy on Enterprise Risk Management (ERM) states that offices operating under UNDP’s policies and procedures must regularly report risks to the next management level.

United Nations Country Teams seeking funding from the SDG-F had to provide, prior to the joint programme proposal, a concept note to be evaluated by the SDG-F Secretariat and external evaluators. A panel of independent evaluators scored the concept notes based on the thematic, gender, and sustainability dimensions, among others, on a scale from 1 to 10. However, the ToRs and Guidance for SDG-F Joint Programmes did not set a threshold to flag technically inferior concept notes.

In addition, the approval by the Steering committee was based on the final programme document and not the concept notes scores defined by the Secretariat and external evaluators.

As a result, the joint audit team’s analysis of the scores assigned to the concept notes indicated that the Steering Committee approved concept notes with low technical scores without sufficient justification for not ruling out low scoring concept notes.
Failure to provide the Steering Committee with information to be used in funding decisions may lead to exposing the SDG-F to risks of financial loss, programmatic delays, and funding of joint programmes that are less likely to support the attainment of the SDGs.

**Priority** Medium (Important)

**Recommendation 4:**

The Secretariat should include a minimum threshold for technically inferior concept notes and share them with the Steering Committee.

**Management action plan:**

Management agrees and, based on the recommendation, the SDG-F included a minimum threshold for concept notes in the revised terms of reference for future funding.

**Estimated completion date:** October 2017

**OAI Response**

OAI acknowledges the action taken by management; this will be reviewed at a later stage as part of the standard follow-up process of OAI.

**Issue 4** Unclear authority for approval of no-cost extensions for joint programmes

The Administrative Agreement signed between the Government of Spain and UNDP states that the Steering Committee will be responsible for making all final decisions regarding the financing of activities. Consistent with other pooled funding mechanisms managed or co-managed by UNDP, the approving authority for project funding is the same that can authorize project extensions. As per the MDG Fund practice, the Secretariat distinguishes between two types of no-cost extensions: substantive, where budget allocation and activities are substantially modified and therefore can have impact on the expected results and outcomes and thus must be approved by the Global Steering Committee; and non-substantive, where there are documented extenuating/mitigating circumstances (extreme weather events, political unrest/elections, violent conflict, other such force majeure) and additional time is granted without any major change in programme outcomes, outputs, indicators or activities.

Although the Secretariat of the SDG-F was tasked with implementing the decisions of the Steering Committee, there was no evidence that the Secretariat had consulted with or sought approval from the Global Steering Committee prior to granting any of the 12 no-cost extensions to the United Nations Country Teams responsible for implementing the joint programmes.

The Secretariat indicated that it was following the practice of the MDG Fund when it granted the no-cost extensions, although, in the absence of any terms of reference for the Secretariat, it was unclear that it was authorized to do so.

In addition, according to the Secretariat of the SDG-F, the Secretariat has not had the chance to formalize the procedure to handle requests for no-cost extensions to date, as no Steering Committee was held since
September 2015 due to the lack of availability of the main donor. As a result, the Secretariat claimed that they followed the MDG Fund procedure for no-cost extensions and only reviewed no-cost extensions with the prior endorsement of the National Steering Committee. It only approved non-substantive no-cost extensions. The SDG-F Secretariat received 12 no-cost extension requests, out of which 1 was found to be substantive in nature, i.e. involving substantive changes to outcomes, outputs and/or indicators, and it was presented for approval at the bilateral meeting between UNDP and the donor in Madrid, in February 2017.

The lack of clarity regarding the authority for approval of no-cost extensions, may lead to a lack of accountability.

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<th>Priority</th>
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<tr>
<td><strong>Recommendation 5:</strong></td>
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<tr>
<td>The Secretariat should submit to the Steering Committee all requests for extensions of any activity funded, whether requiring additional costs or not, for final approval.</td>
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<td><strong>Management action plan:</strong></td>
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<tr>
<td>Management agrees with this recommendation and will develop a formal policy on no-cost extensions, with specific reference to substantive and non-substantive no-cost extensions. The SDG-F will continue reporting on non-extensions through its reports to the Steering Committee.</td>
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<td><strong>Estimated completion date:</strong></td>
<td>December 2017</td>
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**C. Monitoring and Evaluation Framework**

**Issue 5  Monitoring and quality assurance of Joint Programme Coordinators’ progress reports**

UNDP’s policies and procedures stipulate that all programmatic activities must adhere to monitoring standards. Monitoring is a tool used to measure performance of programmatic interventions and data is to be collected considering aspects of quality including credibility, timeliness, relevance, and national ownership. Original data should be collected through programmes and projects using mechanisms such as surveys, observations, stakeholder feedback, among others.

The Secretariat did not ensure that all Joint Programme Coordinators report progress accurately and consistently, on a timely basis.

- Three reports (Ethiopia (1) and Vanuatu (2)) from the nine joint programmes sampled did not contain the required column for reporting issues (or “difficulties”) as referred to in the Secretariat’s standard reporting template. Based on feedback received by the SDG-F in their response to the draft report, the missing section for both countries and in the three reports, was now complete.
- One of the nine joint programmes sampled (Vanuatu) did not submit any detailed financial reports. Following the audit, both reports, including the detailed financial reports, were reported by the SDG-F Secretariat as completed.
One of the nine joint programmes sampled (Viet Nam) did not include a project work plan in two out of three monitoring reports and one other joint programme (Bangladesh) did not include a work plan in one out of three monitoring reports.

The programme work plan template the Secretariat distributed to the Joint Programme Coordinators did not facilitate reporting of the actual progress against planned activities and contained “estimated” commitments and disbursements instead of commitments extracted from the local accounting records.

The Secretariat has not requested the Joint Programme Coordinators to maintain their project plans on the Secretariat’s website on a real-time basis. Doing so would enable the Secretariat to react promptly to issues requiring remediation or escalation to the Steering Committee. Furthermore, the Secretariat’s reporting system is narrative in nature and therefore requires significant effort to prepare the annual consolidated narrative reports.

As a result of the issues listed above, the Secretariat may not receive timely and accurate information pertaining to implementation progress and joint programme expenditures and may not be able to apprise the Steering Committee of significant issues and implementation delays affecting the joint programmes for them to take prompt corrective action.

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<th>Priority</th>
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<td><strong>Recommendation 6:</strong></td>
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<tr>
<td>The Secretariat should improve its monitoring and quality assurance processes by ensuring that all Joint Programme Coordinators report progress accurately and consistently, on a timely basis.</td>
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**Management action plan:**

The SDG-F Secretariat has addressed this risk by creating an online platform in 2014 to ensure that programme documents are completed online in the standard templates. At the start of the audit in June 2017, 54 of the 58 reports due 2015-2016 were submitted in the platform, the last 4 reports (which were still being updated by the joint programmes based on the feedback given by the Secretariat) were received in August 2017. All 58 reports are available on the MPTF website.

**Estimated completion date:** October 2017

**OAI Response**

OAI acknowledges the action taken by management; this will be reviewed at a later stage as part of the standard desk follow-up process of OAI.

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**D. Resource Mobilization**

**Issue 6**

Programme funds mobilization

Good programme fund management practices entail the establishment of a resource mobilization strategy based on specific financial targets for the programme period and outline how, where, when and with whom resource mobilization activities will be undertaken.
In terms of resource mobilization, one of the aims of the SDG-F is to increase the number of donors to its pooled funding mechanism to include more countries and private sector companies. By increasing the donors and their contributions, the SDG-F can fund additional joint programmes in support of the 2030 development agenda. As of the audit fieldwork date, there were two countries and two private sector donors to the SDG-F. Of the $58 million contributed to the SDG-F, 99.7 percent of the funding came from a single donor. And while additional resources were made available to support the joint programmes funded by the SDG-F, these were matching funds identified and negotiated by the United Nations Country Team at the country level to support specific programmatic activity.

The SDG-F resource mobilization efforts commenced late, in October 2016, and resulted in a resource mobilization strategy in early 2017. Interviews and a review of the strategy document showed that mobilization financial targets based on the SDG-F planned programmatic needs were excluded. The resource mobilization strategy also did not indicate a protocol for approaching potential donors (Member States, private sector, etc.).

In its response to the draft report, the SDG-F Secretariat referred to two phases of work undertaken on resource mobilization since the creation of the SDG-F, namely during the launch of the first round of joint programmes (2014), when $40 million was mobilized as matching funds, and during the establishment of a Private Sector Advisory Group in April 2015. As of 2016, the SDG-F developed a new resource mobilization plan.

Without formalized financial targets and operational procedures the SDG-F may not receive sufficient resources to deliver its intended programmatic results.

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<td><strong>Recommandation 7:</strong></td>
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<td>The SDG-F Secretariat should review and refine its resource mobilization strategy and implementation approach and closely monitor its resource mobilization efforts.</td>
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**Management action plan:**

Management will address this risk by incorporating resource mobilization for future programmatic needs as one of the key topics of the next Steering Committee meeting. The SDG-F Secretariat has also developed a document management system, gathering donor intelligence, to monitor the resource mobilization efforts. The SDG-F Secretariat would also request the Steering Committee endorsement for strengthening the resource mobilization area and allocating additional resources, if needed, for the next Steering Committee meeting.

**Estimated completion date:** December 2017
Definitions of audit terms - ratings and priorities

A. AUDIT RATINGS

- **Satisfactory**
  The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area.

- **Partially Satisfactory / Some Improvement Needed**
  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.

- **Partially Satisfactory / Major Improvement Needed**
  The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.

- **Unsatisfactory**
  The assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.

B. PRIORITIES OF AUDIT RECOMMENDATIONS

- **High (Critical)**
  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 the SDG-F.

- **Medium (Important)**
  Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for SDG-F.

- **Low**
  Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the SDG-F management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are **not included in this report**.