

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



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP SUB-REGIONAL PLATFORM FOR WEST AND CENTRAL AFRICA**

**Pôle - Stratégies de développement et Finances publiques**  
**(Directly Implemented Project No. 82861, Output Nos. 91579 and 95492)**

**Report No. 1688**

**Issue Date: 2 September 2016**

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**Report on the Audit UNDP Sub-Regional Platform for West and Central Africa  
Pôle - Stratégies de développement et Finances publiques  
(Project No. 82861, Output Nos. 91579 and 95492)  
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 11 to 22 April 2016, conducted an audit of *Pôle - Stratégies de développement et Finances publiques* (Project No. 82861, Output Nos. 91579 and 95492) (the Project), which is directly implemented and managed by the UNDP Sub-Regional Platform for West and Central Africa (the Sub-Regional Platform) based in Dakar. This was the first audit of the Project.

Based on the results of the risk assessment undertaken, 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:

- (a) governance (organizational structure and delegations of authority);
- (b) programme activities (project management); and
- (c) operations (human resources, finance, procurement, and general administration).

The audit did not cover cash management, and information communication and technology. OAI conducted an audit of the UNDP Country Office in Senegal (the Office) in July 2016 during which the Project's cash management, and information communication and technology were covered. Furthermore, the audit did not cover asset management, as there were no assets held by the Project during the audit period.

The audit covered the activities of the Project from 1 January 2014 to 31 December 2015, a period during which expenditures of approximately \$1.8 million were recorded.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

### Overall audit rating

OAI assessed the project as **partially satisfactory**, which means, "Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity." This rating was mainly due to weaknesses identified in the areas of governance and procurement.

**Key recommendations:** Total = 8, high priority = 2

Objectives	Recommendation No.	Priority Rating
Achievement of the organization's strategic objectives	1	High
	2 and 3	Medium
Effectiveness and efficiency of operations	7	High
	4, 5, 6, and 8	Medium

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.

All high (critical) priority recommendations are presented below:

Memorandum of Understanding not reflective of Project's existing management structure (Issue 1)

Despite the changes in UNDP's internal structure, such as the closure of the Regional Centre in Dakar and the transfer of management oversight of the Project to the Regional Service Centre in Addis Ababa and Sub-Regional Platform, the Memorandum of Understanding was not revised to reflect the changes and to clearly define roles, responsibilities, and accountabilities.

Recommendation 1: The Sub-Regional Platform, in coordination with the Donor, should revise the Memorandum of Understanding to clarify roles, responsibilities, and accountabilities under the existing management structure of the Project.

Inefficiencies in management of individual contractors (Issue 7)

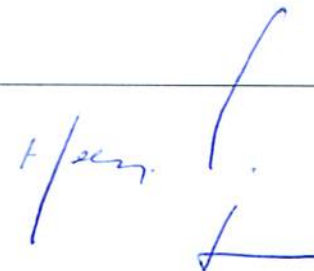
The audit team noted that individual contractors were being paid for travel and living costs separately from the established contractor fees. This could have been avoided by factoring these costs in the individual contractors' fees when the contracts were signed. Further, the roster of individual contractors was not yet completed at the time of the audit, which could have allowed direct sourcing of individual contractors from the roster. Lastly, the audit team noted ineffective procedures for setting up the evaluation panel. Although the 'UNDP Programme and Operations Policies and Procedures' allowed for having two panel members, the Office required at least three panel members for all desk reviews of individual contractors. This resulted in unnecessarily delays in the recruitment process when a third reviewer was not available.

Recommendation 8: The Sub-Regional Platform should improve the selection and procurement of individual contractors by: (a) including the travel and living costs in the individual contracts; (b) establishing a roster of individual contractors, duly approved by the relevant advisory committee on procurement; and (c) enhancing the procedure for setting up the evaluation panel to ensure quality and timeliness of the review of candidates.

### Management comments and action plan

The Coordinator of the Sub-Regional Platform accepted all eight recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

Issues with less significance (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

## I. About the Project

The Project is a regional cost-sharing project initiated in 2006 (now in its second phase) by the Government of France (the Donor) and the UNDP Regional Bureau for Africa (the Bureau). With a pool of public financial management experts (technical experts) provided by the Donor, the objective of the Project is to strengthen the capacity of national stakeholders and to help them plan and efficiently manage their resources. The interventions of the Project include technical assistance, training, and accumulation and sharing of knowledge. In this respect, the Project supports national governments in drafting development plans, implementing programme budgets, managing harmonized frameworks of public finance, developing monitoring and evaluation systems, and training of parliamentarians. It covers 17 member countries of the Economic Community of Central African States and the West African Economic and Monetary Union, in addition to Guinea, Mauritania and the Democratic Republic of the Congo.

The Project was set up with the Strategic Orientation Committee (the Committee) as the overall strategic direction setting body. When the Committee was set up in 2006, it was envisaged that it would be co-chaired by the Deputy Director of the Bureau and the Deputy Director in charge of democratic governance in the Ministry of Foreign Affairs of France. The other participants in the Committee, as defined in the 2006 Memorandum of Understanding (MOU) between the Donor and the Bureau, included the Adviser in charge of cooperation and cultural action at the Embassy of France in Dakar and the Director of the UNDP Regional Centre in Dakar. Moreover, the project manager could be invited to the Committee as a resource person.

In 2006, the Project was anchored in the then Regional Centre in Dakar. In 2013, the Regional Centres in Dakar and Johannesburg were closed and their functions were relocated to the Regional Service Centre in Addis Ababa. At that time, a decision was made that the Project (and some other projects) would remain in Dakar with oversight from the Regional Service Centre in Addis Ababa. In mid-2015, UNDP established the Sub-Regional Platform based in Dakar to oversee some of the regional projects in the West and Central Africa region (including the Project) and a Coordinator was recruited to be in charge of this portfolio of regional projects.

Operations staff in the Sub-Regional Platform working under the supervision of the DCD/O for the most part (some aspects such as disbursements, are fully under purview of the operations staff of the Office) provide support to the Project in the areas of finance, procurement, asset management, general administration (including travel), and information and communication technology. Human resources services are rendered by staff of the Office under the supervision of the DCD/O.

## II. Audit results

OAI made two recommendations ranked high (critical) and six recommendations ranked medium (important) priority.

Low priority 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) Revise the MOU to clarify roles, responsibilities, and accountabilities (Recommendation 1).
- (b) Improve the management of individual contractors (Recommendation 7).

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

- (a) Align the contractual obligations of the project manager with the roles and responsibilities assigned to them (Recommendation 3).

- (b) Issue a formal delegation of authority to all staff performing the role of manager level 2 or project manager in Atlas (Recommendation 2).
- (c) Develop and implement mechanisms to protect the Project's funds from being used by other projects (Recommendation 5).
- (d) Improve efficiency in travel management (Recommendation 8).
- (e) Define, implement and monitor a Service Level Agreement outlining the quality of services expected (Recommendation 4).
- (f) Address the delays in the recruitment of staff members (Recommendation 6).

The detailed assessment is presented below:

## A. Governance

### **Issue 1** Memorandum of Understanding not reflective of Project's existing management structure

An MOU expresses the will between parties indicating a line of action to achieve a common goal. The MOU needs to be revised to reflect changes in the management structure that impacts the nature of services that should be provided by the UNDP.

Despite the changes in UNDP's internal structure, such as the closure of the Regional Centre in Dakar and transfer of management oversight of the Project to the Regional Service Centre in Addis Ababa in 2013, and the establishment of the Sub-Regional Platform in 2015, the MOU was not revised to reflect the changes in the management structure and to clearly define the roles, responsibilities, and accountabilities of the Regional Service Centre in Addis Ababa and the Sub-Regional Platform.

Management stated that a mechanism was put in place to ensure substantive and strategic orientation between the Regional Service Centre in Addis Ababa and the projects that remained in Dakar after the closure of the Regional Centre. However, no evidence was provided to the audit team to show how the mechanism was to function and how it was communicated down to the Project.

Failure to update the MOU to clarify the roles, responsibilities, and accountabilities may create gaps and confusion, and may result in implementation delays that could negatively affect project results.

<b>Priority</b>	High (Critical)
<b>Recommendation 1:</b>	
The Sub-Regional Platform, in coordination with the Donor, should revise the MOU to clarify roles, responsibilities, and accountabilities under the existing management structure of the Project.	
<b>Management action plan:</b>	
Management, in consultation with the Donor, will revise the MOU in order to reflect the binding instrument for the clear definition of accountabilities, roles and responsibilities between UNDP and the Donor not only limited to operational issues, but also encompassing strategic and programmatic challenges.	
<b>Estimated completion date:</b> December 2016	

## Issue 2      Lack of formal delegations of authority

The UNDP Accountability Framework underscores the importance of clear elements of stakeholder and managerial accountability. These are discharged through the precise articulation of roles, responsibilities and authorities. Based on the concept of mutual accountability, managers are to formally delegate appropriate levels of authority to staff.

The audit disclosed the following weaknesses in compliancy with the accountability framework:

- The Director of the Regional Service Centre in Addis Ababa issued a delegation of authority to the DCD/O in December 2013. However, there was no delegation of authority issued to the new DCD/O who took over in January 2016 even though the incumbent maintained the same level of approving authorities as the predecessor, relative to the operations of the Sub-Regional Platform.
- The Sub-Regional Platform staff based in Dakar were assigned project manager (to approve e-requisitions) or manager level 2 (to approve purchase orders up to \$30,000) roles in Atlas (enterprise resource planning system in UNDP). However, they did not receive formal delegations of authority from the Director of the Regional Service Centre in Addis Ababa.
- The Coordinator of the Sub-Regional Platform did not have a delegation of procurement authority. Furthermore, the Regional Service Centre in Addis Ababa had not designated a focal point to attend to operational matters during the absence of the DCD/O. This led to confusion among staff in the Office, the Sub-Regional Platform, and the Regional Service Centre in Addis Ababa.

Failure to clarify and formalize the delegations of authority creates accountability gaps, which could negatively affect the achievement of development objectives.

<b>Priority</b>	Medium (Critical)
<b>Recommendation 2:</b>	
The Sub-Regional Platform should issue a formal delegation of authority to all staff performing the role of manager level 2 or project manager in Atlas, and clarify the delegations of procurement authority among the Office, the Sub-Regional Platform and the Regional Service Centre in Addis Ababa.	
<b>Management action plan:</b>	
(a) Formal delegations of authority to all manager level 2 and project managers are being signed. (b) A Service Level Agreement between the Office and the Regional Service Centre in Addis Ababa was signed in order to reinforce accountability among the rest of the Office's senior management. The Service Level Agreement indicates the delegations of procurement authority among the Office, the Sub-Regional Platform and the Regional Service Centre in Addis Ababa, including arrangements for exceptions when the DCD/O is out of the country.	
<b>Estimated completion date:</b> Implemented	
<b>OAI Response:</b>	
OAI acknowledges the actions taken by the Sub-Regional Platform; these will be reviewed at a later stage as part of the standard desk follow-up process of OAI.	



**Issue 3**      Inappropriate assignment of management responsibilities to personnel under Non-Reimbursable Loan Agreements

The UNDP Internal Control Framework stipulates that the project manager has the primary responsibility for managing the human and financial resources of a project to achieve its expected results. Moreover, this role is delegated to UNDP staff members only and cannot be delegated to other personnel, including those assigned to UNDP under Non-Reimbursable Loan Agreements (NRLAs). Furthermore, personnel under NRLAs shall not be considered in any respect as being officials or staff of the United Nations. While performing functions for the United Nations, the personnel under NRLAs shall be considered “experts on mission” according to article VI, sections 22 and 23, of the ‘Convention on the Privileges and Immunities of the United Nations’.

The project manager function was entrusted to technical experts assigned by the Donor to UNDP under NRLAs. These assignments were not consistent with UNDP policies, which limit such responsibilities to UNDP staff. As discussed by the audit team with the Office of Human Resources and the Bureau, personnel on NRLAs assigned to UNDP must not be assigned supervisory roles over staff members, including overseeing staff performance management and development, or approving leave requests.

The inconsistency created from assigning project manager roles to personnel under NRLAs was not considered when the MOU was signed. Inappropriate assignment of management responsibilities to personnel under NRLAs may lead to the lack of accountability and not achieving expected results.

<b>Priority</b>	Medium (Important)
<b>Recommendation 3:</b>	
The Sub-Regional Platform should align the contractual obligations of the project managers with the roles and responsibilities assigned to them.	
<b>Management action plan:</b>	
Discussions will be arranged with the Donor to review the MOU and the contractual modality of the Project Coordinator, which is a project manager position.	
<b>Estimated completion date:</b> December 2016	

**Issue 4**      Need to improve support services provided by the Office

A Service Level Agreement establishes a formal agreement between two or more parties that articulates the terms and conditions of a particular service relationship. Governance processes, oversight and monitoring of Service Level Agreements ensure that services provided by the service provider meet client expectations.

The audit team noted unclear formal agreements and governance processes. The Project, as a service recipient, was dissatisfied with the level of services provided by the Office. In particular, the Project had raised the issue of timeliness of services rendered by the Office. The audit team noted that poor service resulted in the delayed implementation of activities.

The expected quality of services, especially with regard to timeliness, had not been established and agreed upon for the services provided by the Office to the Project and the Sub-Regional Platform. Thus, it was not clear how much time a requested category of service should take at each service point and the amount of time the service would require. Therefore, the unit requesting the service could not determine beforehand the turnaround time required to receive the service requested.

In May 2015, the DCD/O committed to the Director of the Bureau that purchase orders would be raised and approved within two days of receiving a procurement request from the Project. However, 34 percent of purchase orders related to travels were approved more than two days later (see details in Issue 8). The operations management had not monitored the agreed timeframe in order to take immediate actions when facing challenges.

The Project paid service fees to the Office<sup>1</sup> for services rendered. The rates remained standard despite the quality of services rendered. For example, if the Project requested for payments of travel allowances to personnel well in advance of the missions, and the allowances were paid after the end of the missions, fees would still be deducted at the same rate even though the services were not rendered in a timely manner. The fixed fee is a disincentive to the objective of service quality, since fees are not aligned with quality. Management stated that fees are defined by the Bureau for Management Services and cannot be varied.

The control weaknesses noted above were mainly caused by the lack of agreed service levels or performance objectives for the Office to commit and abide to. Without formalized Service Level Agreement, client expectations against the terms and conditions cannot be guaranteed.

<b>Priority</b>	Medium (Important)
<b>Recommendation 4:</b>	
The Sub-Regional Platform should define, implement and monitor a Service Level Agreement outlining the quality of services expected as well as the consequences for not meeting established quality standards.	
<b>Management action plan:</b>	
A Service Level Agreement was signed between the Regional Service Centre in Addis Ababa and the Office outlining the accountability and response times for all transactions.	
The DCD/O has started monitoring defined targets in the Service Level Agreement with all the heads of units in operations on a weekly basis, in order to ensure that all services are provided on time and to allow for corrective actions as necessary. Excel sheets will be maintained in the operations SharePoint site in order to record all the requests by date of submission, due dates and the responsible staff per transaction.	
<b>Estimated completion date:</b> Implemented	
<b>OAI Response:</b>	
OAI acknowledges the actions taken by the Sub-Regional Platform; these will be reviewed at a later stage as part of the standard desk follow-up process of OAI.	

<sup>1</sup> Fees are defined by the Universal Price List issued by the Bureau for Management Services.

## B. Programme Activities

### Issue 5 Weak set-up of Project's budget in Atlas

The UNDP Accountability Framework underscores the importance of clear elements of stakeholder and managerial accountability. Based on the concept of mutual accountability, managers are to provide adequate resources and appropriate tools, and delegate appropriate levels of authority to staff. In Atlas, the funding allocation for the Project was set at the department level rather than at the project level. When funds are allocated at the department level, all underlying projects could use the funds irrespective of whether they are recipients of funding or not.

In February 2015, the Project had a fund allocation amounting to \$400,000. As the allocation was set at the department level in Atlas, it allowed for other projects to use the Project's funds. The audit disclosed that Project Nos. 93934 and 77226, which were in the same department as the Project, used \$39,000 and \$91,000 of these funds, respectively. The use of the Project's funds by other projects left the Project without funds as early as April 2015, thereby disrupting the implementation of its approved work plan.

Management indicated that close monitoring and follow-up of budget commitment controls would ensure that the funding issues are dealt with appropriately. However, management did not provide details on how this would be monitored and who would be responsible for it.

Unclear procedures and accountability on the use of project funds can cause ineffective and inefficient use of resources.

Priority	Medium (Important)
<b>Recommendation 5:</b>	
The Sub-Regional Platform should develop and implement mechanisms to protect the Project's funds from being used by other projects.	
<b>Management action plan:</b>	
Management will put in place monitoring mechanisms to ensure that the delivery of the Project's results is done within the available resources, and reverse all incorrect charges, if any, in a timely manner.	
<b>Estimated completion date:</b> December 2016	

## C. Operations

The chain of processes of the Sub-Regional Platform over the management of the Project was not adequate to provide timely and quality operational services. Gaps were noted with respect to (1) recruitment of staff and personnel, (2) management of individual contractors, and (3) management of travel.

## 1. Human Resources

### Issue 6 Delays in recruitment of staff members

An effective and efficient recruitment process is critical to ensuring that the Project is able to employ the appropriate personnel with the correct skills on a timely basis in order to meet strategic objectives. The Office manages the recruitment process upon initiation by the Project.

In 2015, four recruitment processes were initiated by the Office on behalf of the Project. The Project submitted the Terms of Reference for the four positions in February, April, June and September 2015. However, as of April 2016, only two out of four positions had been filled due to ineffective recruitment processes, which included not establishing milestones to ensure timely recruitment.

For the recruitment of a Programme Analyst at the P2 level (initiated in September 2015), the Office took more than three months after the interview to issue the letter of continued interest to the selected candidate. When the letter was sent in March 2016, the candidate had already accepted another offer. Further, the Office indicated that another recommended candidate took a significant amount of time to provide complete credentials, which affected the timely submission of documents to the Compliance Review Board. In addition, the Office did not set milestones to complete different hiring processes, including a deadline for candidates to provide required documents.

Additionally, the recruitment for two Financial Assistant positions started in June 2015 and only one position was filled as of April 2016. The Office explained that it requested additional documents from a selected candidate regarding work permits. However, given that work authorization was a key requirement for staff recruitment, this requirement should have been done during the longlisting of candidates.

Delays and inefficiencies in the recruitment process increase the risk of losing candidates most suited for the job. The recruitment delays may also directly impact the Project's staff workload and programmatic plans.

Priority	Medium (Important)
<b>Recommendation 6:</b>  The Office should address the delays in the recruitment of staff members by: <ul style="list-style-type: none"> <li>(a) mapping out the hiring processes and establishing milestones; and</li> <li>(b) monitoring progress to ensure recruitments are completed in a timely manner.</li> </ul>	
<b>Management action plan:</b>  The Office has initiated weekly reports (indicating the deadlines of each step in the recruitment process) submitted by the Human Resources Unit, which are discussed in the Unit's weekly meetings, including providing guidance by the DCD/O in order to fast-track recruitments.  Milestones will be monitored and compared throughout the year to assess efficiency.	
<b>Estimated completion date:</b> Implemented	

### OAI Response:

OAI acknowledged the actions taken by the Office; these will be reviewed at a later stage as part of the standard desk follow-up process of OAI.

## 2. Procurement

### Issue 7 Inefficiencies in management of individual contractors

The recruitment of individuals under the individual contract modality is subject to the principles and rules defined in the individual contractor policy of the 'UNDP Programme and Operations Policies and Procedures' supporting effective management of individual contractors.

The audit team noted that the Sub-Regional Platform had not taken advantage of several measures to effectively manage individual contractors. Opportunities for improvement included the following:

- Inefficient process of procuring and paying contractor travel and living costs – To ensure efficiencies in the selection of individual contractors, the 'UNDP Programme and Operations Policies and Procedures' allow for the factoring of travel and living costs using lump-sum or daily rate contracts into the contract fees.

In 2014 and 2015, the majority of all travel payments (i.e., payments of daily subsistence allowances and tickets) were related to individual contractors. This activity could have been avoided by factoring travel and living costs into the fees of the individual contractors when the contracts were issued.

- Roster of individual contractors not completed – According to the 'UNDP Programme and Operations Policies and Procedures', a business unit may create a roster that is pre-approved, and from which individual names can be directly sourced for assignments valued at less than \$100,000, without the need for competition. This type of roster can only be used upon approval from the relevant advisory committee on procurement based on ex-ante submissions. Additionally, the 'UNDP Programme and Operations Policies and Procedures' allow for the nomination of candidates and for conducting a mini competition for contracts valued at less than \$100,000 without requiring public advertisement.

The Operations Team of the Office had not established a roster of individual contractors that would have allowed for the direct sourcing of individual contractors from that roster. With such a roster, the recruitment of individual contractors for the Project would have been streamlined as none of the contracts exceeded the \$100,000 threshold for direct procurement. An attempt to create a roster was initiated in 2014 but it was not completed by the time of the audit. The audit team further noted that the Office was not taking advantage of a provision to source pre-qualified contractors with outstanding performance records for assignments where the anticipated value of the contract was less than \$100,000. In such cases, advertising Procurement Notices was not always necessary.

- Ineffective procedure for setting up the evaluation panel – According to the 'UNDP Programme and Operations Policies and Procedures', the requesting unit shall establish an ad hoc evaluation team with at least two members as long as at least one of the members is from a unit other than the requesting unit, to conduct the evaluation and interviews, when required.

The Office required at least three panel members for all desk reviews of individual contractors thereby unnecessarily delaying the recruitment process when a third reviewer was not available. The audit team noted two cases where the Project suggested to proceed with two panel members that had already been identified instead of waiting for a third one to be nominated to expedite a process that was significantly lagging. In both instances, the proposals were rejected in favour of three-member panels. The operations management explained that having a three-member (or odd number) panel, was considered a best practice. However, given that the UNDP policy on individual contractors allowed two panel members for desk reviews, delaying a process for several weeks to search for a third member was not efficient or a good practice.

For projects relying heavily on individual contractors, ineffective management of individual contractors could negatively impact the achievement of programmatic objectives.

<b>Priority</b>	High (Critical)
<b>Recommendation 7:</b>  The Sub-Regional Platform should improve the management of individual contractors by: <ul style="list-style-type: none"> <li>(a) including the travel and living costs in the individual contracts;</li> <li>(b) establishing a roster of individual contractors, duly approved by the relevant advisory committee on procurement; and</li> <li>(c) enhancing the procedure for setting up the evaluation panel to ensure quality and timeliness of the review of candidates.</li> </ul>	
<b>Management action plan:</b> <ul style="list-style-type: none"> <li>(a) Management has started to factor travel and living costs for individual contractors as a lump sum.</li> <li>(b) The roster consolidated from the previous recruitments is already in place and only desk reviews are being held in order to select the best candidate every time there is a need for a consultant.</li> </ul> <b>Estimated completion date:</b> Implemented	
<b>OAI Response</b>  OAI acknowledges the actions taken by the Sub-Regional Platform; these will be reviewed at a later stage as part of the standard desk follow-up process of OAI.	

### 3. General Administration

#### Issue 8 Inefficiencies in travel management

According to the 'UNDP Programme and Operations Policies and Procedures', travel should be managed efficiently through proper planning, administration and follow-up, and by adhering to travel policies and guidelines to ensure best value for money. UNDP guidelines also encourage staff to confirm their travel itineraries as early as possible and to purchase tickets at least 21 days in advance of departure, in order to save



on travel costs. Daily subsistence allowances shall be paid for periods away from the duty station, during which the staff member is on official travel status. Upon return to the duty station, the traveller should submit a completed voucher for reimbursement of travel expenses (F10).

Several weaknesses were noted that affected the efficiency in overall travel management, as described below:

- Duplicate procedures when processing travel – Both the Project’s personnel and the Office’s operations staff were performing the same tasks with regard to travel arrangements, such as requesting for flight reservations and undertaking trip analyses. This created unnecessary workload and delays, ultimately increasing the costs of travel. During the May 2015 operations meeting, the Project’s personnel were delegated the task of preparing flight plans directly with travel agencies. This function required the assignment of the travel buyer role to Project staff in Atlas. As of April 2016, this decision had not been implemented.
- Delays in travel approval and processing – As of April 2016, the DCD/O’s commitment to issue purchase orders within a maximum of two days was not adequately met. The time to create, approve and issue tickets took more than two days for 40 of 119 (34 percent) purchase orders reviewed. The audit team noted instances where the Project contacted the DCD/O for approval and actions were taken to resolve the issue.

The Project did not promptly submit supporting documents for travel, which also contributed to delays in the overall travel process.

Additionally, the audit disclosed that of 266 daily subsistence allowance payments made during the audit period, 47 (18 percent) were paid after the mission started. Of the 47 daily subsistence allowance payments, 15 (32 percent) were paid after the mission ended and in some cases more than two months later. The Office explained that these delays were due to budget issues (as noted in Issue 5), late requests by the Project, staff shortages, or the unavailability of payment approvers.

Moreover, the audit reviewed the processing of 16 F10s and noted delays in submission by the traveller (4 cases) and delays in processing by the Office of at least one month (4 cases).

Overall, untimely travel processes increase the risk of late ticket purchases and late payment of travel allowances, resulting in significantly higher fares and financial burdens on the travellers.

<b>Priority</b>	Medium (Important)
<b>Recommendation 8:</b>	
The Sub-Regional Platform should improve efficiency in travel management by:	
<ul style="list-style-type: none"> <li>(a) assigning the responsibility of making travel arrangements to a single unit to prevent duplication of work;</li> <li>(b) submitting travel requests and approving purchase orders on time in order to minimize risks of last minute ticket purchases; and</li> <li>(c) implementing a mechanism to monitor payments of daily subsistence allowances and submission of F10s, including holding staff accountable for timely processing.</li> </ul>	

**Management action plan:**

- (a) Management has already implemented this recommendation. Only staff in the Travel Section in operations are handling travel arrangements.
- (b) A consolidated travel plan (both for the Office and the Sub-Regional Platform), including the Project, is already in place (since the beginning of 2016) in order to ensure cost-effectiveness in the procurement process.
- (c) Management has initiated a weekly report provided by the procurement/travel staff to the DCD/O in order to monitor the status of daily subsistence allowances and F10 payments and to allow for corrective action.

**Estimated completion date:** Implemented

**OAI Response:**

OAI acknowledges the actions taken by the Sub-Regional Platform; these will be reviewed at a later stage as part of the standard desk follow-up process of OAI.



## Definitions of audit terms - ratings and priorities

### A. AUDIT RATINGS

- **Satisfactory** Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity.
- **Partially Satisfactory** Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity.
- **Unsatisfactory** Internal controls, governance and risk management processes were either not established or not functioning well. The issues were such that the achievement of the overall objectives of the audited entity could be seriously compromised.

### 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 UNDP.
- **Medium (Important)** Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP.
- **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 Office 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.