

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP COUNTRY OFFICE

IN

BURKINA FASO

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(REDACTED)

Report on the Audit of UNDP Burkina Faso Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Burkina Faso (the Office) from 7 to 16 September 2015. Due to security constraints, the audit team completed the fieldwork remotely from 2 to 20 October 2015. 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 and strategic management (leadership/ethics and values, financial sustainability);
- (b) United Nations system coordination (Resident Coordinator Office, Harmonized Approach to Cash Transfers);
- (c) programme activities (programme management, partnerships and resource mobilization, project management); and
- (d) operations (human resources, finance, procurement, information and communication technology [ICT], general administration, safety and security).

The audit covered the activities of the Office from 1 January 2014 to 30 June 2015. The Office recorded programme and management expenditures of approximately \$20 million. The last audit of the Office was conducted by OAI in 2009.

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

Overall audit rating

OAI assessed the Office 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 in the monitoring and financial closure of projects, which resulted in ineligible expenses of \$177,887 for the Office¹.

Key recommendations: Total = 9, high priority = 1

The nine recommendations aim to ensure the following objectives:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization's strategic objectives	2, 3	Medium
Reliability and integrity of financial and operational information	7	Medium
Effectiveness and efficiency of operations	4	High
	8	Medium
Safeguarding of assets	9	Medium
Compliance with legislative mandates, regulations and rules, policies and procedures	1, 5, 6	Medium

¹ At the time of the report issuance, the amount of \$177,887 was being discussed for distribution between three UNDP country offices (Burkina Faso, Benin and Niger) (refer to issue 4). After issuance and prior to public disclosure of this report, UNDP Benin and UNDP Niger acknowledged their share of expenses.

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:

Weaknesses in the monitoring and financial closure of projects (Issue 4)


The Office did not comply with key requirements in terms of project monitoring (i.e. producing quarterly Combined Delivery Reports and certified lists of assets). Further, Atlas (the enterprise resource planning system used by UNDP) was not used as a project management tool and its various logs were not maintained. Delays were noted regarding the submission of the required reports to donors, and project closure was not properly documented. In one case, expenses amounting to \$177,887 were considered as ineligible by the main donor that asked for its reimbursement. While acknowledging this amount, the Office explained that it should be distributed between the three UNDP Offices involved in the implementation of the project, thus reducing the amount to be reimbursed by the Office to \$17,649. At the time this report was being drafted, discussions were ongoing between the UNDP offices involved.

Recommendation: The Office should improve the monitoring, financial management and closure of projects by: (a) putting in place a mechanism to enter and update in Atlas project monitoring such as producing quarterly Combined Delivery Reports and certified lists of assets, risk, and issue logs; (b) developing a checklist of all monitoring requirements for the attention of programme and project managers and organizing training sessions on the use of Atlas; (c) implementing an oversight mechanism to ensure the timely submission of reports and compliance with donors' agreements; (d) keeping an updated project closure checklist and retaining all required supporting documents for the financial closure of projects in Atlas; and (e) pursuing discussions to come to an agreement with the countries participating in the project and finalizing the reimbursement of ineligible amounts claimed by the main donor.

Management comments and action plan

The Resident Representative accepted all of the recommendations and is in the process of implementing them. Comments and/or additional information provided had 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
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