



AUDIT

OF

UNDP COUNTRY OFFICE

IN

THE SYRIAN ARAB REPUBLIC

Report No. 1577
Issue Date: 10 May 2016

Report on the Audit of UNDP in the Syrian Arab Republic Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP in the Syrian Arab Republic (the Office) from 7 to 18 February 2016. 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 (organizational structure and delegations of authority, leadership/ethics and values, risk management, planning, business continuity, monitoring and reporting, financial sustainability);
- (b) United Nations system coordination (development activities, 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, general administration, safety and security).

The audit covered the activities of the Office from 1 January 2014 to 31 December 2015. The Office recorded programme and management expenditures of approximately \$39 million. The last audit of the Office was conducted by OAI in 2007.

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 project management.

Good practice

Programme management

The Office developed an 'Information Management System' for data collection from the field for project monitoring, assurance and reporting purposes, and as a database for programmatic areas, donors and outputs information. This system was particularly important for the Office to obtain data from governorates that staff could not access due to security issues where monitoring had to be done remotely.

Key recommendations: Total = 4, high priority = 1

The four recommendations aim to ensure the following: (a) achievement of the organization's strategic objectives (Recommendations 1 and 2, medium priority); and (b) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 3, high priority; Recommendation 4, medium priority).

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 project management
(Issue 3)

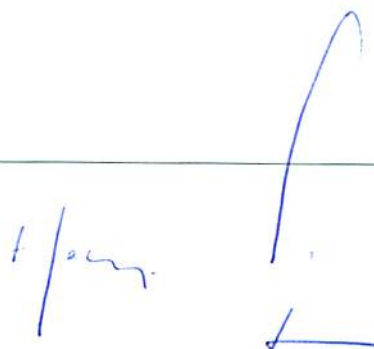
The following shortcomings could negatively impact the Office's project management: (a) project documents not reviewed by the Project Appraisal Committee; (b) weaknesses in the approval of project documents; (c) Project Board not functioning; and (d) projects not financially closed in a timely manner.

Recommendation: The Office should improve the management of projects by: (a) having all projects and their substantive revisions appraised by the Project Appraisal Committee; (b) closing all existing projects in Atlas and opening new ones based on new and clear project documents fully aligned to the current Country Programme Document; (c) having the Project Boards meet for all projects on a quarterly basis and undertake substantive reviews of projects; and (d) expediting the closure of projects operationally closed and correcting the status of completed projects in Atlas.

Management comments and action plan

The UN Resident Coordinator and UNDP 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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