

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP COUNTRY OFFICE

IN

KYRGYZSTAN

Report No. 1741
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Report on the Audit of UNDP Kyrgyzstan Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Kyrgyzstan (the Office) from 21 November to 2 December 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, role of UNDP – “One UN”, 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 2015 to 30 September 2016. The Office recorded programme and management expenditures of approximately \$47.7 million. The last audit of the Office was conducted by OAI in 2011.

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 **satisfactory**, which means “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.”

Good practice

The Office implemented the ‘Outcome Board Meetings’ where UNDP and its stakeholders gather to discuss development issues related to UNDP programme results and outcomes. This tool is used also as a mean to communicate achievements in terms of development and to strengthen the Office’s resource mobilization.

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, which means “Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.” The recommendation includes actions to address the large number of voucher cancellations.

The recommendation aims to ensure reliability and integrity of financial and operational information.

Management comments and action plan

The Resident Representative accepted 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.

A handwritten signature in blue ink is enclosed within a rectangular box. The signature is stylized and appears to read 'H. S. Osttveiten'.

Helge S. Osttveiten
Director
Office of Audit and Investigations