

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP COUNTRY OFFICE

IN

THAILAND

Report No. 1842
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Report on the Audit of UNDP Thailand Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Thailand (the Office) from 11 to 17 May 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:

- (a) governance (leadership, corporate direction, corporate oversight and assurance, corporate external relations and partnership);
- (b) programme (quality assurance process, programme/project design and implementation, knowledge management);
- (c) United Nations leadership and coordination.

The audit covered the activities of the Office from 1 January 2016 to 30 April 2017. The audit did not cover the operations-related areas of finance, procurement, human resources, general administration, ICT and safety and security, as these services are provided to the Office by the Bangkok Regional Hub (BRH) of the Regional Bureau for Asia and the Pacific. The Office recorded programme and management expenditures of approximately \$9.5 million.¹ The last audit of the Office was conducted by OAI in 2008.

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/some improvement needed**, which means, "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." This rating was mainly due to project management weaknesses.

Key recommendations: Total = 6, high priority = 2

The six recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization's strategic objectives	1, 3	Medium
Effectiveness and efficiency of operations	4	High
	2, 6	Medium
Compliance with legislative mandates, regulations and rules, policies and procedures	5	High

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:

¹ The programme and management expenditures exclude commitments.

Project management
weaknesses
(Issue 5)

There were weaknesses in the management of projects, as follows: baselines, indicators and targets were not properly articulated for the project results and resources frameworks; the annual work plans and reports were not in the prescribed UNDP format; inadequate monitoring was noted; and there were delays in project implementation and weak reporting of results achieved.

Recommendation 4: The Office should strengthen its project management practices by: (a) ensuring annual work plans reflect appropriate indicators, baselines and annual targets – the plans should be in the approved template and signed by both the parties; and (b) having realistic project end dates and building requisite implementing partner capacities to ensure the timely implementation of projects.

Recommendation 5: The Office should ensure compliance with the 'UNDP Programme and Operations Policies and Procedures' on project monitoring and assurance by: (a) establishing an overall monitoring framework to identify monitoring and assurance activities, determining when they will be undertaken, and determining which staff will conduct them; and (b) having an annual reporting process that adheres to UNDP reporting requirements.

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 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
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