

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



*Empowered lives.
Resilient nations.*

AUDIT

OF

UNDP OFFICE

IN

KOSOVO

(United Nations Security Council resolution 1244)

Report No.1899

Issue Date: 9 January 2018

Report on the Audit of UNDP Kosovo¹ Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Kosovo (the Office) from 9 to 20 October 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) operations (financial resources management, ICT and general administrative management, procurement, human resources management, and staff and premises security); and
- (d) United Nations leadership and coordination.

The audit covered the activities of the Office from 1 January 2016 to 31 July 2017. The Office recorded programme and management expenses of approximately \$17 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, "The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area."

Good practice

OAI identified a good practice, as follows:

Finance/Cost recovery. The Office developed two systems (one for programme support and one for operations support) for tracking and recovering costs for support services provided to projects.

Key recommendations: Total = 2, high priority = 1

The two recommendations aim to ensure compliance with legislative mandates, regulations and rules, policies and procedures.

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:

¹ All references to Kosovo in this report should be understood to be in the context of United Nations Security Council resolution 1244 (1999).

UNDP mandatory
courses not completed
(Issue 1)

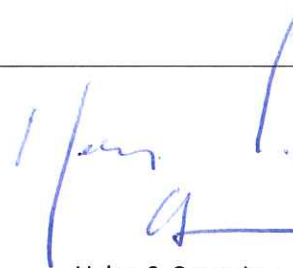
As of November 2017, none of the seven mandatory courses were completed at 100 percent by the staff members and the service contract holders. The non-completion rates of the mandatory courses were ranging between 3 and 60 percent.

Recommendation: The Office should ensure completion of mandatory training courses by: (a) including the mandatory courses that have not been completed as part of the staff learning goals in the Performance Management Development plans for better monitoring; and (b) preparing and following a timetable for all personnel to ensure completion of the required mandatory courses.

Management comments and action plan

The UN Development Coordinator/UNDP Resident Representative accepted both recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

Low risk issues (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, appearing to read 'H. Ostveiten', is positioned above the printed name.

Helge S. Ostveiten
Director
Office of Audit and Investigations