

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP MULTI-COUNTRY OFFICE

IN

SAMOA

Report No. 1913
Issue Date: 26 April 2018

(REDACTED)

Report on the Audit of UNDP Samoa Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Samoa (the Office) from 20 February to 2 March 2018. 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 2017 to 31 January 2018. The Office recorded programme and management expenses of approximately \$13.5 million for three countries and one territory covered by the Samoa Multi-Country Office. The last audit of the Office was conducted by OAI in 2015.

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 the misalignment of programme resources.

Key recommendations: Total = 5, high priority = 1

The five recommendations aim to ensure the following:

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

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:

Utilization of resources
not optimal (Issue 1)

There was a significant misalignment across the programme resource performance targets as set by the Office under its budget, compared to what was agreed with the Regional Bureau under the IWP. The Multi-Country Office had a set programme budget of \$14.2 million in 2016 and \$19.7 million in 2017, while IWP targets agreed with the Bureau for the same resources were \$9.7 million (68 percent) and \$10 million (51 percent), respectively. Programme delivery rates amounted to \$11.4 million and \$11.5 million, representing 68 percent and 59 percent of the available resources in 2016 and 2017. The programme resource allocation process did not appear to show a close correlation of budget and IWP targets for the same resource levels. The Office was therefore not fully utilizing the available funding and budgets in Atlas.

Recommendation: The Office should enhance programme efficiencies and the budgeting/resource allocation process by ensuring programme budgets and IWP targets are more closely aligned, taking into consideration the available resources and making necessary adjustments as warranted.

Implementation status of previous OAI audit recommendations: Report No. 1553, 2 December 2015.

Total recommendations: 9

Implemented: 9

Management comments and action plan

The Director of the Regional Bureau for Asia and the Pacific, and the Resident Representative accepted all of the recommendations and are 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.



Helge S. Ostveiten
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