

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP COUNTRY OFFICE

IN

THE GAMBIA

Report No. 1925

Issue Date: 4 December 2018

(REDACTED)

Report on the Audit of UNDP Gambia Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Gambia (the Office) from 24 September to 5 October 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 30 June 2018. The Office recorded programme and management expenses of approximately \$12.4 million. The last OAI audit of the Office took place in 2013.

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 **unsatisfactory**, which means “the assessed governance arrangements, risk management practices and controls were either not adequately established or not functioning well. Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity/area.” This rating was mainly due to significant weaknesses in governance, and in the management of both programme and operations activities.

Key recommendations: Total = 13, high priority = 6

The 13 recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization’s strategic objectives	1, 6	High
	4, 5	Medium
Reliability and integrity of financial and operational information	8	High
	2	Medium
Effectiveness and efficiency of operations	10	Medium
Safeguarding of assets	9	High
Compliance with legislative mandates, regulations and rules, policies and procedures	11, 12	High
	3, 7, 13	Medium

For high (critical) priority recommendations, prompt action is required to ensure that UNDP is not exposed to high risks. Failure to act could result in major negative consequences for UNDP. All high (critical) priority recommendations are presented below:

Weaknesses in control environment and risk management (Issue 1)	<p>The audit disclosed the following exceptions pertaining to the control environment and risk management: (a) inadequate delegations of authority; (b) insufficient staffing capacities in the Office; and (c) weak oversight.</p> <p><u>Recommendation:</u> The Office should reinforce its control environment and risk management processes by: (a) revising delegations of authorities to ensure that staff profiles are aligned; (b) filling vacancies as soon as possible through prompt finalization of ongoing recruitment processes; and (c) formalizing an oversight mechanism.</p>
Exceptions in project monitoring and implementation (Issue 6)	<p>The Office's overall programme delivery rate was at 54.5 percent as of 19 November 2018. Also, the following exceptions were noted with regard to project monitoring and implementation: (i) for two outputs, the annual work plans did not contain indicators, baselines and targets; (ii) the monitoring and evaluation plan was not costed for one output; (iii) procurement plans were not adequately prepared for two outputs; (iv) project sustainability plans were not formalized for four outputs; (v) for one output, the Office purchased two vehicles for a total value of \$73,731 in the last quarter of the project implementation, without this being initially included in the annual work plan and without approval of the project board; and (vi) two transactions amounting to \$15,000 and \$14,772 were not correctly justified.</p> <p><u>Recommendation:</u> The Office should improve its overall programme delivery rate and enhance its project monitoring by ensuring that: (a) all required plans (annual work plan, monitoring and evaluation plan, and sustainability plan) are properly and timely prepared and implemented; and (b) all expenses are properly justified and authorized.</p>
Weak oversight over financial transactions (Issue 8)	<p>The audit disclosed the following exceptions: (i) incorrect use of the Office's Chart of Accounts; (ii) exceptions in cash management; and (iii) inadequate controls over payment processing with a high number of cancelled and deleted payments.</p> <p><u>Recommendation:</u> The Office should strengthen its financial management as well as oversight and controls by: (a) promoting the correct use of the Charts of Accounts through regular trainings; (b) documenting all cancelled payments and implementing corrective actions to reduce them; and (c) granting, recovering and reconciling cash advances in compliance with organizational policies and procedures.</p>
Weaknesses in asset management (Issue 9)	<p>The audit disclosed the following weaknesses in asset management: (i) the Asset Management Module in Atlas (enterprise resource planning system of UNDP) was not updated; (ii) inadequate assets identification and location; (iii) inadequate monitoring of asset inventories; and (iv) asset disposals not timely processed.</p> <p><u>Recommendation:</u> The Office should enforce monitoring and oversight over assets by: (a) developing a comprehensive list of all assets owned by the Office and performing reconciliation with the Atlas asset record as well as the year-end asset records; (b) reinforcing the coordination and oversight role of the</p>

Asset Manager of the Office and designating asset focal points to ensure that assets are correctly received, recorded and tracked; and (c) disposing obsolete and unused assets in a timely manner.

Weaknesses in fuel
management processes
(Issue 11)

The procedures to record and reconcile the receipt and consumption of fuel were not adequate to provide assurance that fuel purchased was delivered for the use of Office and project vehicles.

Recommendation: The Office should strengthen the management of fuel by: (a) reinforcing accountability over fuel management and implementing a tracking system to ensure that all fuel coupons delivered to staff members are duly approved, timely justified and filed; (b) implementing effective monthly reconciliation of fuel consumption for all vehicles to reconcile consumption with vehicle logs and identify variances warranting further action; and (c) conducting and documenting controls over fuel management to detect and fix exceptions in a timely manner.

Weaknesses in human
resources management
(Issue 12)

The audit team noted insufficient documentation on the rationale as to why candidates were either excluded from or included in longlists or shortlists. Further, there were inconsistencies in evaluation processes. Evaluators did not systematically indicate comments to support scores given to candidates.

Recommendation: The Office should reinforce controls over the management of human resources by systematically documenting all the steps of the recruitment processes and explaining the rationale for not considering some candidates.

Implementation status of previous OAI audit recommendations: Report No. 1213, 12 December 2013

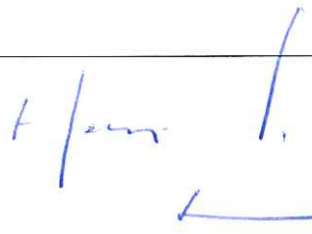
Total recommendations: 3

Implemented: 3

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.

Low risk issues (not included in this report) have been discussed directly with management and actions have been initiated to address them.



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