UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations

AUDIT

OF

UNDP COUNTRY OFFICE

IN

UGANDA

Report No. 2014

Issue Date: 21 December 2018

Report on the Audit of UNDP Uganda
Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Uganda (the Office) from 24 September 2018 to 6 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 $23.2 million. The last audit of the Office was conducted by OAI 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 **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 weaknesses in programme/project design and implementation, procurement, financial resources management, and human resources management.

Key recommendations: Total = **8**, high priority = **1**

The eight recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Reliability and integrity of financial and operational information	7	Medium
Effectiveness and efficiency of operations	3	Medium
	4	Medium
Compliance with legislative mandates, regulations and rules, policies and procedures	1, 5, 6, 8	Medium
	2	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. The high (critical) priority recommendation is presented below:

<u>Weak controls on project closure</u>
(Issue 2)

The 'UNDP Programme and Operations Policies and Procedures' require offices to financially close projects within 12 months of closing them operationally. The audit team noted that the Office had 13 projects that had been operationally closed for more than 12 months but had not been financially closed. Specifically, 4 projects were operationally closed in 2015, 6 projects were operationally closed in 2016, and 3 projects were operationally closed in July 2017.

<u>Recommendation:</u> The Office should ensure that all operationally closed projects are financially closed within 12 months.

Implementation status of previous OAI audit recommendations: Report No. 1155, 22 August 2013.
Total recommendations: 5
Implemented: 5

Management comments and action plan

The Resident Representative accepted all 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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2018.12.21
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Office of Audit and Investigations