

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP COUNTRY OFFICE

IN

GHANA

Report No. 2049
Issue Date: 19 July 2019

Report on the Audit of UNDP Ghana Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Ghana (the Office) from 13 to 24 May 2019. 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);
- (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 2018 to 31 March 2019. The Office recorded programme and management expenses of approximately \$8.9 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.” The rating is due to the financial sustainability of the Office being at risk.

Key recommendations: Total = 2, high priority = 1

The two recommendations aim to ensure the following: (a) achievement of the organization’s strategic objectives (Recommendation 1, high priority); and (b) reliability and integrity of financial and operational information (Recommendation 2, medium priority).

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:

Financial sustainability
at risk
(Issue 1)

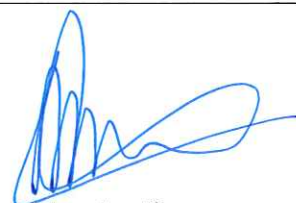
The Office was operating under a new Country Programme Document 2018–2020 and was in the midst of mobilizing resources for the implementation of its programme. It acknowledged the challenges in mobilizing non-core resources due to the Country's transition to a middle-income economic status. The extra-budgetary allocation received from the Regional Bureau was not sufficient to cover the related operating costs. Total staff costs paid from programme core resources through Direct Project Costing were approximately \$626,000 in 2018, representing a significant 59.6 percent of programme resources.

Recommendation: The Office should: (a) intensify its resource mobilization efforts; and (b) reduce its operating costs and align them with available resources.

Management comments and action plan

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



Antoine Khoury
Officer-in-Charge
Office of Audit and Investigations