



**AUDIT**

**OF**

**UNDP COUNTRY OFFICE**

**IN**

**THE GAMBIA**

**Follow-up of OAI Report No. 1925 dated 4 December 2018**

**Report No. 2179**  
**Issue Date: 17 July 2020**



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**Report on Follow-up Audit of UNDP Gambia  
(Previous OAI Report No. 1925, 4 December 2018)  
Executive Summary**

From 29 June to 3 July 2020, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP) conducted a remote follow-up audit of the UNDP Country Office in the Gambia (the Office). This remote follow-up audit was undertaken, in addition to regular desk reviews, in view of the 'unsatisfactory' audit rating assigned by OAI in Report No. 1925 dated 4 December 2018. The follow-up audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

**Audit scope and approach**

The follow-up audit reviewed the implementation of 13 audit recommendations. OAI conducted appropriate tests of transactions and activities by the Office from 1 January 2019 to 31 May 2020 and interviewed management and staff concerned to determine whether the reported corrective actions were implemented, as reported by the office in the Comprehensive Audit and Recommendation Database System (CARDS).

**Audit results**

The Office had fully implemented the 13 audit recommendations. The detailed implementation status of the 13 recommendations has been updated by OAI in CARDS.

Section I summarizes the 13 recommendations that have been implemented.

*Moncef Ghrib*

Moncef Ghrib  
Officer-in-Charge  
Office of Audit and Investigations

## I. Details of implemented recommendations

Rec No.	Issue title	Recommendation	Implementation status reported by UNDP Gambia	OAI assessment
1	Weaknesses in control environment and risk management	<p><b>High (critical) priority</b></p> <p>The Office should reinforce its control environment and risk management processes by:</p> <ul style="list-style-type: none"> <li>(a) revising delegations of authorities to ensure that staff profiles are aligned;</li> <li>(b) filling vacancies as soon as possible through prompt finalization of ongoing recruitment processes; and</li> <li>(c) formalizing an oversight mechanism.</li> </ul>	<p><b>Implemented</b></p> <p>The Office has assessed this recommendation as implemented based on the following:</p> <ul style="list-style-type: none"> <li>(a) The delegations of authority have been revised.</li> <li>(b) The vacant positions have been filled (Finance Analyst, Human Resource Associate and Procurement Assistant).</li> <li>(c) The Office's oversight mechanism has been formalized with focal points designated and responsibilities assigned to relevant managers.</li> </ul>	<p><b>Implemented</b></p> <ul style="list-style-type: none"> <li>(a) The audit team confirmed that delegations of authority were revisited and aligned with staff profiles.</li> <li>(b) The audit team reviewed whether all vacancies noted during the last audit were filled. For all current vacancies, the Office had put in place adequate measures to mitigate the impact of delays in the recruitment process.</li> <li>(c) The Office issued a memo to strengthen the culture of compliance and ensured regular monitoring and oversight of key internal control parameters.</li> </ul>
2	Inappropriate handling of temporary cash deficits	<p><b>Medium (important) priority</b></p> <p>The Office should improve the management, control and accounting of budget overrides and the handling of temporary project deficits and funding gaps by implementing a formal mechanism to track and monitor inter-project loans.</p>	<p><b>Implemented</b></p> <p>Inter-project borrowing was discontinued by the Office. All outstanding inter-project borrowing noted since 2017 had been identified and reversed to applicable projects.</p> <p>Moreover, staff have been reminded of the applicable budget override policy, which sets out clear guidelines for the commitment of resources in cases where contributions are not timely received.</p>	<p><b>Implemented</b></p> <p>The audit team confirmed that the practice of inter-project loans had been discontinued and budget override cases were not noted.</p>
3	Low completion rate of UNDP mandatory	<p><b>Medium (important) priority</b></p> <p>The Office should ensure that all mandatory training</p>	<p><b>Implemented</b></p> <p>All staff with contracts over six months completed all requisite mandatory courses.</p>	<p><b>Implemented</b></p> <p>The Office took the following measures to ensure the timely completion of mandatory courses:</p>

Rec No.	Issue title	Recommendation	Implementation status reported by UNDP Gambia	OAI assessment
	training courses	courses are completed by staff.		<p>(a) At the projects level, supervisors are accountable to ensure the completion of the courses by their supervisees.</p> <p>(b) Review of mandatory course completion was done every two months, and reminders are sent, if needed.</p> <p>(c) One computer was made available to allow staff members without a computer to complete their courses.</p> <p>The recommendation is therefore considered implemented.</p>
4	Inadequate resource mobilization management	<p><b>Medium (important) priority</b></p> <p>The Office should strengthen resource mobilization management by:</p> <p>(a) finalizing the Communication and Partnership Strategy and Action Plan with a focus on the area of inclusive and sustainable economic growth;</p> <p>(b) improving the cost-recovery mechanism through the formalization of relationships with other agencies, systematization of recoveries for all services rendered and upfront analysis of the most appropriate cost recovery method to use; and</p>	<p><b>Implemented</b></p> <p>(a) The Communication and Partnership Strategy has been finalized and due consideration was given to the area of inclusive and sustainable economic growth.</p> <p>(b) The cost-recovery mechanism was strengthened via the following: (i) a standard operating procedure (SOP) was prepared and shared with staff; (ii) a quarterly tracking sheet was introduced; and (iii) Service Level Agreements have been signed with other UN agencies.</p> <p>(c) A new workload survey has been undertaken, including donor funds.</p>	<p><b>Implemented</b></p> <p>(a) The Office finalized the Communication and Partnership Strategy with due consideration to the area of inclusive and sustainable economic growth.</p> <p>(b) The audit team verified that Service Level Agreements have been signed with other UN agencies and transactions incurred on their behalf were properly cost-recovered.</p> <p>(c) The Direct Project Costing (DPC) mechanism has been adjusted following the workload survey done in 2019. The last report issued by the Office of Financial Resources Management (OFRM) on DPC did not disclose exceptions for the Office.</p>

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		(c) undertaking a new workload survey for more efficient implementation of Direct Project Costing, which should include donor funding as well.		
5	Missing priorities and enabling actions in the Integrated Work Plan	<p><b>Medium (important) priority</b></p> <p>The Office should improve its Integrated Work Plan in accordance with the applicable corporate requirements by defining, for all priorities, enabling actions that are comprehensive and specific.</p>	<p><b>Implemented</b></p> <p>Since 2019, the Integrated Work Plan has been prepared with comprehensive and specific enabling actions.</p>	<p><b>Implemented</b></p> <p>The Office improved its 2019 and 2020 Integrated Work Plan by defining, for all priorities, enabling actions that were comprehensive and specific.</p>
6	Exceptions in project monitoring and implementation	<p><b>High (Critical) priority</b></p> <p>The Office should improve its overall programme delivery rate and enhance its project monitoring by ensuring that:</p> <p>(a) all required plans (annual work plan, monitoring and evaluation plan, and sustainability plan) are properly and timely prepared and implemented; and</p> <p>(b) all expenses are properly justified and authorized.</p>	<p><b>Implemented</b></p> <p>(a) All annual workplans, monitoring and evaluation plans and procurement plans had been completed in January 2019 and approved by the project board. Sustainability plans were completed in June 2019. Furthermore, all changes to annual work plan and project activities were duly discussed and approved by the project board.</p> <p>(b) As a result, all expenses incurred were properly justified and authorized.</p>	<p><b>Implemented</b></p> <p>(a) The audit team noted that all required plans were prepared, and their implementation was ongoing.</p> <p>(b) Projects expenditures incurred during 2020 were analysed and they were properly justified and authorized.</p>
7	Late project closure and missing justification for closed projects	<p><b>Medium (important) priority</b></p> <p>The Office should improve the controls over the closure of projects and ensure that:</p> <p>(a) all required supporting documents to justify</p>	<p><b>Implemented</b></p> <p>The Office implemented this recommendation based on the following improvements in the control over the closure of projects:</p>	<p><b>Implemented</b></p> <p>(a) The audit team confirmed that projects due for closure were adequately closed and all required supporting documents were kept in Atlas.</p>

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		<p>project closure are kept in Atlas;</p> <p>(b) mechanisms are put in place to monitor project expiration dates and to timely initiate project closure processes or extensions; and</p> <p>(c) quality assurance reviews of closed projects are systematically performed.</p>	<p>(a) All projects due for closure were adequately closed and all required supporting documents were kept in Atlas.</p> <p>(b) All project end dates were adjusted accordingly. The Office started following the project closure workbench and a staff member was assigned to update project status and closure dates on a quarterly basis.</p> <p>(c) All project quality assurance reviews of closed projects were systematically performed.</p>	<p>(b) Project expiration dates were regularly monitored through the Atlas project closure workbench.</p> <p>For one outstanding common services project that could not be closed due to a deficit amounting to \$90,750 coupled with insufficient documentation, the Office obtained a waiver signed by the UNDP Administrator authorizing the closure of the project.</p> <p>(c) The audit team tested five projects financially closed during the period under review and noted that the quality assurance reviews were performed, when applicable.</p>
8	Weak oversight over financial transactions	<p><b>High (critical) priority</b></p> <p>The Office should strengthen its financial management as well as controls and oversight by:</p> <p>(a) promoting the correct use of the Charts of Accounts through regular trainings;</p> <p>(b) documenting all cancelled payments and implementing corrective actions to reduce them; and</p> <p>(c) granting, recovering and reconciling cash advances in compliance with organizational policies and procedures.</p>	<p><b>Implemented</b></p> <p>(a) The use of the Sundry account for non-Atlas agencies payments has been discontinued.</p> <p>(b) The payment cancellations dropped down from 94 in the 4<sup>th</sup> quarter of 2018 to 18 in the 4<sup>th</sup> quarter of 2019. All cancelled payments are now adequately documented.</p> <p>(c) All outstanding staff receivables have been cleared. The petrol advance account has been cleared subsequent to the write-off letter approved by the UNDP Administrator.</p>	<p><b>Implemented</b></p> <p>(a) The Office organized a training to promote the correct use of the Charts of Accounts. The audit team noted that the use of the miscellaneous account for non-Atlas agency payments has been discontinued.</p> <p>(b) The audit team verified that cancelled payments dropped down from 395 between 2017 and 2018 to only 20 at end of May 2020. Furthermore, the reasons for cancellation were adequately documented.</p> <p>(c) Except for one case mistakenly recorded and corrected during the audit, cash advances were granted, recovered and reconciled in compliance with UNDP policies and procedures.</p>
9	Weaknesses in assets management	<p><b>High (critical) priority</b></p>	<p><b>Implemented</b></p>	<p><b>Implemented</b></p>

Rec No.	Issue title	Recommendation	Implementation status reported by UNDP Gambia	OAI assessment
		<p>The Office should enforce monitoring and oversight over assets by:</p> <p>(a) developing a comprehensive list of all assets owned by the Office (including tagging of all assets and update of locations and missing assets) and performing reconciliation with the Atlas asset record as well as the year-end asset records;</p> <p>(b) reinforcing the coordination and oversight role of the Asset Manager of the Office and designating an asset focal point for each project who will work with the Asset Manager and will ensure that assets are correctly received, recorded and tracked; and</p> <p>(c) disposing obsolete and unused assets in a timely manner.</p>	<p>(a) A comprehensive listing of all assets owned by the office, including their current location and tagging, has been prepared.</p> <p>(b) The role of the Asset Manager has been emphasized and a memorandum was issued to appoint asset focal points for each project with clear roles and responsibilities.</p> <p>(c) All long outstanding asset have been cleared.</p>	<p>(a) The Office developed and updated a comprehensive list of fixed assets. The asset verification was properly and regularly performed, except for UNDSS assets. The Office explained that the omission was due to a misunderstanding of policies and took corrective actions during the audit mission.</p> <p>(b) The role of the Asset Manager has been emphasized and asset focal points were designated for each project. These focal points work together with the Asset Manager to ensure that assets are correctly received, recorded and tracked.</p> <p>(c) The obsolete and unused assets have been disposed and the process was documented.</p>
10	Weaknesses in procurement management	<p><b>Medium (important) priority</b></p> <p>The Office should improve oversight over procurement activities by:</p> <p>(a) establishing adequate controls over the receipt and safekeeping of bid documents as well as a proper archiving system for easy retrieval of supporting documentation;</p>	<p><b>Implemented</b></p> <p>(a) The Office has established a generic email where procurement bids are sent (bid.gm@undp.org). All the procurement case files are indexed, properly archived and kept in the Procurement Office.</p> <p>(b) The procurement platform PROMPT is now used by staff to express their procurement needs.</p>	<p><b>Implemented</b></p> <p>(a) The audit team confirmed that a generic email was established to receive procurement bids. A proper archiving system was put in place.</p> <p>(b) While the Office started using the corporate procurement platform PROMPT, the audit team noted that the project procurement plans were not timely entered in the PROMPT system.</p> <p>The Office took corrective actions during the audit mission.</p>



Rec No.	Issue title	Recommendation	Implementation status reported by UNDP Gambia	OAI assessment
		<p>(b) ensuring that the procurement planning system PROMPT 2.0 is adopted; and</p> <p>(c) adhering to UNDP policies related to payment of advances and application of penalty clauses for delays.</p>	<p>(c) Substantive deliverables are now required as basis for first payments. Furthermore, penalty clauses for delays are included and applied in all contracts.</p>	<p>(c) The audit team did not disclose exceptions in the payment of advances and the application of penalty clauses for delays.</p>
11	Weaknesses in fuel management processes	<p><b>High (critical) priority</b></p> <p>The Office should strengthen the management of fuel by:</p> <p>(a) reinforcing accountability over fuel management and implementing a tracking system to ensure that all fuel coupons delivered to staff members are duly approved and timely justified and filed;</p> <p>(b) implementing effective monthly reconciliation of fuel consumption for all vehicles to reconcile consumption with vehicle logs and identify variances warranting further action; and</p> <p>(c) conducting and documenting surprise controls over fuel management to detect and fix exceptions in a timely manner.</p>	<p><b>Implemented</b></p> <p>The following actions have been taken in accordance with the Office's action plan:</p> <p>(a) An SOP on fuel management was developed by the Office. Two days a week have been designated as fueling days to ensure that all fuel coupons are timely justified and filed.</p> <p>(b) Quarterly reconciliation of fuel consumption was implemented for all vehicles to compare consumption with vehicle logs and identify variances warranting further action.</p> <p>(c) A surprise control of fuel coupons was conducted during November 2019 and was duly documented. The surprise verification of fuel inventory has been integrated in the fuel SOP. Furthermore, the Office performs monthly inventories of fuel coupons.</p>	<p><b>Implemented</b></p> <p>(a) The Office has established an SOP to formalize controls put in place in fuel management. The audit noted that fuel coupons delivered to staff members were duly approved and justified.</p> <p>However, lapses in the segregation of roles was noted in two cases where one driver was both the requester, and the distributor and the receiver of the fuel. The Office explained these exceptions by the vacancy of the Logistics Assistant position coupled with the limitation in staff movements due to the COVID-19 context.</p> <p>As a mitigating control, the Office has assigned the fuel management role to one Programme Finance staff pending the onboarding of the Logistics Assistant.</p> <p>(b) The Office regularly reconciled fuel consumption.</p> <p>(c) The Office conducted and documented regular fuel controls to detect and fix exceptions in a timely manner.</p>

Rec No.	Issue title	Recommendation	Implementation status reported by UNDP Gambia	OAI assessment
12	Weaknesses in human resources management	<b>High (critical) priority</b> 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.	<b>Implemented</b> All longlists and shortlists in the recruitment processes are adequately documented with reasons for inclusion or non-inclusion of candidates.	<b>Implemented</b> The Office documented all the steps of the recruitment processes, including the rationale for not considering some candidates.
13	Weaknesses in safety and security management	<b>Medium (important) priority</b> The Office should enhance safety and security by: <ul style="list-style-type: none"> <li>(a) implementing recommendations resulting from Business Continuity Plan tests in a timely manner to improve the Office's preparation for disasters and/or emergencies and its ability to maintain essential services and operations; and</li> <li>(b) including security considerations in the implementation, monitoring and evaluation of projects and programmes.</li> </ul>	<b>Implemented</b> The Office implemented this recommendation. Evidence of the full implementation of 2017 Business Continuity Plan test recommendations have been shared with OAI.	<b>Implemented</b> <ul style="list-style-type: none"> <li>(a) The Office implemented the recommendations issued after the latest Business Continuity Plan testing.</li> <li>(b) Security aspects were included in the 2019 and 2020 annual work plans.</li> </ul>

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**ANNEX            Definitions of audit terms – implementation status, ratings and priorities**

**A. IMPLEMENTATION STATUS**

- **Implemented**            The audited office has either implemented the action as recommended in the audit report or has taken an alternative solution that has met the original objective of the audit recommendation.
- **In progress**            The audited office initiated some action to implement the recommendation or has implemented some parts of the recommendation.
- **Not implemented**            The audited office has not taken any action to implement the recommendation.
- **Withdrawn**            Because of changing conditions, OAI considers that the implementation of the recommendation is no longer feasible or warranted or that further monitoring efforts would outweigh the benefits of full implementation. A recommendation may also be withdrawn when senior management has accepted the residual risk of partial or non-implementation of recommendation.

**B. AUDIT RATINGS**

- **Satisfactory**            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.
- **Partially Satisfactory / Some Improvement Needed**            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.
- **Partially Satisfactory / Major Improvement Needed**            The assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area.
- **Unsatisfactory**            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.

**C. PRIORITIES OF AUDIT RECOMMENDATIONS**

- **High (Critical)**            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.
- **Medium (Important)**            Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.



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- **Low**                      Action is desirable and should result in enhanced control or better value for money. Low priority recommendations, if any, are dealt with by the audit team directly with the Office management, either during the exit meeting or through a separate memo subsequent to the fieldwork. Therefore, low priority recommendations are not included in this report.