

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



*Empowered lives.
Resilient nations.*

AUDIT

OF

UNDP COUNTRY OFFICE

IN

MEXICO

Report No. 2181
Issue Date: 29 April 2020

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Report on the Audit of Mexico Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Mexico (the Office) from 10 to 21 February 2020. 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.¹

The audit covered the activities of the Office from 1 January 2018 to 31 December 2019. The Office recorded programme and management expenses of approximately \$54.7 million. The last audit of the Office was conducted by OAI in 2017.

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 travel management, and weak pipeline management and low projected delivery.

Key recommendations: Total = 6, high priority = 2

The six recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization's strategic objectives	1	Medium
	2	High
Reliability and integrity of financial and operational information	4	Medium
Effectiveness and efficiency of operations	5	High
Compliance with legislative mandates, regulations and rules, policies and procedures	6	Medium
	3	Medium

¹ The audit covered the activities under this area only for 2018.

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. All high (critical) priority recommendations are presented below:

Weak pipeline management and low projected delivery (Issue 2)

The funding pipeline budgets consisted of three Class A projects (\$6 million), four under Class B (\$3.5 million) and three under Class C (\$6 million). Considering the total programme delivery of \$47 million of the prior two years, the resources in the pipeline were insufficient for the current level of delivery to be maintained. Furthermore, the review of the pipeline showed that it focused on existing projects but lacked funding for interventions included within the new programme cycle.

Recommendation: The Office should improve its pipeline management by: (a) increasing the volume of the project portfolio through continued efforts and ideas for new projects and partnerships; and (b) ensuring that the Atlas system is regularly updated with the Office's pipeline information as required.

Weaknesses in travel management (Issue 5)

The audit team reviewed 40 travel requests processed during the audit period. The following weaknesses were noted:

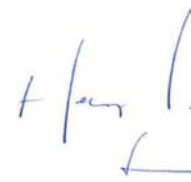
- There was a lack of adequate medical insurance coverage for service contract holders who travelled outside the Country.
- In 12 cases relating to local travel, project personnel had insufficient time to solicit a travel advance, due to lack of planning.
- Travel claims were submitted more than two weeks after travel was completed.
- Different Daily Subsistence Allowances were established for 11 projects out of 38 projects that recorded travel requirements.

Recommendation: To improve travel management, the Office should: (a) comply with the UNDP travel policy, ensuring that appropriate insurance coverage is obtained, travel advances/claims are processed in accordance with policies and uniform Daily Subsistence Allowance rates are established; and (b) provide further training on the Atlas Travel Module to staff members involved in the processing, review and approval of travel.

Management comments and action plan

The Resident Representative of UNDP Mexico 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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Helge S. Osttveiten
Director
Office of Audit and Investigations

I. About the Office

The Office, located in Mexico City, Mexico (the Country), at the time of the audit consisted of 22 staff members (including 2 international and 20 local fixed term) and 552 service contract holders, most of whom were working for projects under the national support modality. UNDP's strategy in the Country had been guided by the 2014–2018 Country Programme Document, which was extended twice due to the presidential election and change of Government. The Country Programme Document was structured around three pillars: (i) Social and Economic Development, (ii) Democracy and Effective Governance, and (iii) Resilience, Energy and Environment. This Country Programme Document was aligned with the National Development Plans and the 2014–2018 United Nations Development Assistance Framework for the Country. Since 2008, the UNDP presence in the Country was on a government cost-sharing basis, also known as a Net Contributing Country.

II. Audit results

Satisfactory performance was noted in the following areas:

- (a) Governance/Corporate External Relations and Partnerships. Implementing partners, United Nations agencies, and government counterparts with whom the audit team members met during the audit mission expressed their appreciation of the Office as a valued development partner.
- (b) Operations/Financial Resources Management. Records and controls were adequate to ensure sound financial resource management.
- (c) Operations/Staff and Premises Security. The security was well managed with sufficient security arrangements in place.
- (d) United Nations Leadership and Coordination. No reportable issues were identified. The audit noted that key controls were in place and the Resident Coordinator de-linking process had been properly managed.

OAI made two recommendations ranked high (critical) and four recommendations ranked medium (important) priority.

Low priority issues/recommendations were discussed directly and agreed with the Office and are not included in this report.

High priority recommendations, arranged according to significance:

- (a) Improve travel management (Recommendation 5).
- (b) Improve pipeline management and projected delivery (Recommendation 2).

Medium priority recommendations, arranged according to significance:

- (a) Strengthen the management of service contracts (Recommendation 6).
- (b) Strengthen project monitoring and risk management (Recommendation 4).
- (c) Improve project management (Recommendation 3).
- (d) Address the gaps in organizational structure (Recommendation 1).

The detailed assessment is presented below, per audit area:

A. Governance

1. Corporate Oversight and Assurance

Issue 1 Flaws in organizational structure

The vision and mission of an office as well as its organizational effectiveness rely on the office's adequate organizational structure, which allows for clear roles and responsibilities, as well as reporting lines. Job descriptions of staff should accurately reflect the name and designation of whom the staff report to, in addition to the duties, roles, responsibilities and scope of the post.

The audit team identified weaknesses in the organizational structure of the Programme Unit and unclear roles and responsibilities, as follows:

- The Programme Analysts had different post classifications; there were two Programme Analyst posts at the National Officer level A (NOA), one at the National Officer level B, and another at the National Officer level C. The two NOAs were collectively responsible for 70 percent of the Office's delivery in 2019 while the other two National Officers accounted for the remaining 30 percent of delivery during the same time period, leading to workload imbalance and concerns about the salary levels, impacting staff morale.
- Three Programme Associates had the same job descriptions, but in practice not all of them carried out the roles that their job descriptions indicated; two of the three Programme Associates were supporting project implementation activities instead of project oversight as stipulated in their job descriptions.
- The audit team reviewed 10 job descriptions. Of these, five relating to Programme Unit personnel/staff were not aligned with their current reporting lines and roles and responsibilities.

Inadequacies in the Programme Unit structure may bring about contractual issues and jeopardize delivery while increasing financial and reputational risks for the Office.

Priority	Medium (Important)
Recommendation 1: In order to address the gaps in its organizational structure, the Office should: <ul style="list-style-type: none"> (a) revisit the Office's structure to address workload imbalances and unclear reporting lines; and (b) review job descriptions for uniformity to ensure duties, roles and responsibilities adhere to corporate standards. 	
Management action plan: In order to address the gaps in the organizational structure as identified by the audit, the Office will: <ul style="list-style-type: none"> (a) Resume the review of workflows conducted by the Management Consulting Team mission in 2018, reinforce the implementation of those that are still valid and review/rework those that might be 	

- adjusted considering new project/programme demands and/or office structure and/or map any workflow that was not considered during the mission.
- (b) Design or use any current/available corporate tool to capture workloads as an input to assess whether the current office structure is still valid.
 - (c) Conduct an internal review of all job descriptions at the programme and operational level to identify any gaps, lack of uniformity and adherence to corporate standards.
 - (d) Liaise with the Regional Bureau for Latin America and the Caribbean and the Office of Human Resources to determine the way forward once (a) through (c) has been finalized. If advised, a mission from the Office of Human Resources or the Management Consulting Team might be requested to fully address the audit recommendation.

Estimated completion date: December 2020

B. Programme

1. Programme/Project Design and Implementation

Issue 2 Weak pipeline management and low projected delivery

Pipeline management supports two key objectives: (i) strategic, which ensures that UNDP remains focused and the programme portfolio globally, regionally and locally is consistently framed within the Strategic Plan; and (ii) financial, which enhances the ability of UNDP to leverage and maximize various partnerships and opportunities for development financing. A robust pipeline portfolio includes projects of different maturity, ranging from initial ideas (Class C) to interventions with secured funding and implementation capacity ready to be launched (Class A).

The audit team reviewed the Office's pipeline within Atlas (enterprise resource planning system of UNDP). The pipeline budgets consisted of three Class A projects (\$6 million), four under Class B (\$3.5 million) and three under Class C (\$6 million). Considering the total programme delivery of \$47 million of the prior two years, the resources in the pipeline were insufficient for the current level of delivery to be maintained. Furthermore, the review of the pipeline showed that it focused on existing projects but lacked funding for interventions included within the new programme cycle. The Office explained that elections and later the change in the central Government affected the mobilization of funds.

The Office did not update the Atlas pipeline information as required.

Without a diversified funding pipeline, the Office runs the risk of missing strategic opportunities and partnerships, which can have an impact on financial sustainability and may affect the overall Country Programme.

Priority	High (Critical)
Recommendation 2:	
The Office should improve its pipeline management by:	

- (a) increasing the volume of the project portfolio through continued efforts and ideas for new projects and partnerships; and
- (b) ensuring that the Atlas system is regularly updated with the Office's pipeline information as required.

Management action plan:

The Office acknowledges the importance of pipeline management as an essential tool to ensure strategic and financial opportunities. The Office will:

- (a) Ensure that the Atlas pipeline information reflects the continuous efforts of the Office to develop new projects and partnerships. To that end, the Office will update the pipeline information in Atlas regularly.
- (b) Perform a pipeline review, at least once every quarter. Management will assess the diversity of projects, partnerships, resources, and maturity levels to confirm that the pipeline portfolio remains strategic.

Taking into consideration the Office's potential contribution to the COVID-19 national response, Programme Units will reach key counterparts to present the corporate offer and identify new pipeline initiatives.

Estimated completion date: December 2020

Issue 3 Gaps in project management

Effective project management includes (i) project formulation, (ii) implementation of activities to achieve the agreed outputs, (iii) monitoring and evaluation, and (iv) closing of projects. Project management information should be stored in Atlas, and project quality assessments stored in the corporate planning system. Once a project has completed its operations, it should be operationally closed, and within 12 months, should be financially closed.

The audit team reviewed a sample of 9 out of 59 ongoing development projects. In addition, three recently closed and two engagement facility projects were reviewed. The total sample represented 54 and 61 percent of 2018 and 2019 programme delivery, respectively. The following weaknesses were noted:

(a) Project design:

- Three of the nine ongoing projects selected by the audit team for review showed weaknesses. The formulation of the results and resources framework contained results, indicators, baselines and targets that were not SMART (specific, measurable, achievable, relevant and timebound). In addition, the monitoring and evaluation frameworks were generic and not adjusted to project needs. The theory of change was not clearly presented and thus the links with proposed results and Country Programme outcomes were unclear.
- Project organizational structure in five of the nine sampled projects had reporting lines without defining the roles of UNDP and government institutions – in three of those cases the Programme Officer, instead of completing quality assurance activities, was directly reporting to the project board and supervising the project team.
- For three of the nine projects, gender mainstreaming was not included.

- The Social and Environmental Screening Procedure was not completed in a timely fashion. For instance, in three projects the screening procedure was conducted after the project document was signed. In addition, the Social and Environmental Screening Procedure was not completed for the two engagement facility projects sampled.
- One of the two reviewed engagement facility projects should have been implemented as a development project and complied with the more extensive requirements of a development project.

(b) Project implementation:

- The audit team found that the risk and monitoring information in Atlas for four out of the nine projects reviewed was not regularly updated.

(c) Project closure:

- The closure quality assurance assessment had only been completed for two out of three of the projects sampled.

Failure to implement the corporate guidelines may impair the achievement of intended project outputs, which in turn may also negatively affect UNDP's reputation and result in the loss of confidence from stakeholders and the host Government.

Priority	Medium (Important)
Recommendation 3: The Office should improve its project management by: <ul style="list-style-type: none"> (a) strengthening project design by ensuring results are SMART (specific, measurable, achievable, relevant and timebound), there are clear links to the theory of change, reporting lines and monitoring framework are adjusted, and that gender mainstreaming and Social and Environmental Screening Procedures are complied with; (b) ensuring that the engagement facility modality is used in accordance with the policy; and (c) ensuring project information is regularly updated for all projects in Atlas and quality assurance assessments are completed for all closed projects. 	
Management action plan: To address OAI's recommendation, the Office will take following actions: <ul style="list-style-type: none"> (a) Programme Units will ensure that draft projects include SMART results with clear links to the theory of change and project organizational structure with clear roles and monitoring framework, including gender mainstreaming and social environmental compliance. During the drafting of project results, all stakeholders will be informed of Project Quality Assurance compliance requirements and the timeline to design the project. The Monitoring and Evaluation Unit will be involved early on project design to provide support and to safeguard compliance with quality standards and best practices. (b) The engagement facility portfolio will be analysed to identify current engagement facility projects that do not comply with policy. The Office will formulate a transition plan accordingly. In addition, the engagement facility modality will be defined and approved with the Monitoring and Evaluation 	

- Unit and the clearance of the Resident Representative, ensuring the fulfillment of all policies required.
- (c) A dedicated dashboard will be implemented to monitor that project information in Atlas is updated and quality assessments are conducted timely.

Estimated completion date: December 2020

Issue 4 Weaknesses in project monitoring and risk management

According to the Programme and Project Management Guidelines, programme and project monitoring is driven by the need to account for the achievement of intended results and to provide a factual basis for decision-making purposes. Monitoring includes baselines, indicators, targets and measurements of results that are clearly defined and regularly reviewed. Monitoring frameworks at the project level ensure that projects are implemented within the agreed timeframe and to measure the achievement of intended results.

The Office had a Monitoring and Evaluation Plan that described the different tasks for the programme cycle 2016–2020. The document covered the Country Programme Document and its corresponding Country Programme Action Plan and projects, with roles described for different units and positions in the Office. Nevertheless, the programme was not reviewed or revised during implementation. At the project level, the responsibilities were not clear as to who should ensure that monitoring tasks, such as measurement of output indicators, validation that the theory of change was still valid, or that risk assessments and Atlas information were accomplished and accurate.

The audit team reviewed a sample of 9 out of 59 ongoing development projects. The following weaknesses in project monitoring and risk management were identified:

- The monitoring plan of five projects did not reflect project requirements considering the size or complexity of the projects. Furthermore, the project documents included the requirement for quarterly or bi-annual monitoring activities; however these were not completed as required. For example, project board meetings for one project were completed annually instead of quarterly as stipulated within the project document.
- The Office did not update the risk and monitoring information within Atlas for five out of nine projects. Furthermore, not all risks were identified during project formulation or project revisions.
- The Office had not centralized the financial monitoring of the programme, which led to two projects recording budget deficits of \$39,037, out of which \$2,486 had to be covered by the Office. The audit team identified 13 instances of temporary transfers between projects without donor authorization.
- Ineligible expenses totaling \$144,704, such as those related to travel, were charged to projects for activities not included within the project annual work plan. In addition, the Office was incorrectly charging the costs of five service contractors to projects for which they were either not working for or not devoting 100 percent of time to.

The lack of effective monitoring may impede the Office from determining whether corrective actions are needed to achieve intended programme and projects results.

Priority	Medium (Important)
Recommendation 4: The Office should strengthen project monitoring and risk management by: <ul style="list-style-type: none"> (a) adjusting the monitoring plan according to the complexity and needs of each project; (b) conducting monitoring activities, risk assessments and project board meetings with the frequency defined within the project documents and updating this information in Atlas; and (c) strengthening the programme finance function and financial monitoring of projects by closely monitoring project delivery and commitments to prevent budget deficits, ensuring that only eligible expenses within the annual work plan are charged to the project and refraining from transferring funds between projects unless the donor provides authorizations. 	
Management action plan: To strengthen project management internally and within counterpart institutions, the Office will undertake the following actions: <ul style="list-style-type: none"> (a) The Monitoring and Evaluation Unit will coordinate a systematic review of the results and resources monitoring plan of active projects. If necessary, adjustments will be suggested to project boards accordingly. (b) Project board meetings will include a review of the project's risk monitoring as an essential part of the agenda. Programme Officers/Assistants will update the information in Atlas accordingly. Management will introduce a control board/system to ensure that all projects are conducting monitoring activities with the frequency stipulated in project documents, including risk assessments, project board meetings and financial reports using mandatory templates. (c) The oversight of the programme finance function and the financial monitoring of projects will be strengthened by considering an additional oversight role such as existed in the past potentially through a review of the current structure of the finance unit, which has only been in charge of the Office's finances. Given the clustering of some transactions/processes to the Global Shared Services Unit, the Office finds this a feasible solution. This role will ensure that close financial monitoring is permanent, preventive and conducive to financial good practice. (d) Additionally, management will provide training opportunities for staff to ensure that all project stakeholders are aware of the procedures contained in the Programme and Project Management Guidelines regardless of donor fund origin. 	
Estimated completion date: March 2021	

C. Operations

1. ICT and General Administrative Management

Issue 5 Weaknesses in travel management

When UNDP pays and organizes duty travel, it should be based on the standards established in the travel policy addressed in the 'UNDP Programme and Operations Policies and Procedures', detailing the route, mode and standard of accommodation established for the contract modality, in the event that travel arrangements need to be made for individual contractors or other non-staff members (service contract holders, government officials, pro bono service providers, etc.) Once the travel has been authorized, the travel is submitted for processing, a travel request is created, and approval is processed within the Atlas Travel Expense Module. The approver in Atlas ensures the travel is authorized, funds are available for reimbursement of travel expenses, and staff members are covered under compensation insurance.

The audit team reviewed 40 travel requests processed during the audit period. The following weaknesses were noted in all cases sampled:

- There was a lack of adequate medical insurance coverage for service contract holders who travelled outside the Country, as the insurance provider included coverage that recognized the value of medical costs at duty station thresholds. Service contract holders should not travel outside the country of residence without arranging medical coverage under a private medical scheme for the duration of the mission.
- Travel was processed for individuals who did not hold UNDP contracts, at the request of the Government. The group travel option, as outlined in the 'UNDP Programme and Operations Policies and Procedures', was not used to reduce the administrative burden. In 12 cases relating to local travel, project personnel had insufficient time to solicit a travel advance, due to lack of planning.
- Travel claims were submitted more than two weeks after travel was completed. All staff and non-staff members are required to submit their travel claim to the authorizing unit within two weeks upon completion of travel.
- Different Daily Subsistence Allowances were established for 11 projects out of 38 projects that recorded travel requirements. This occurred because projects could establish their own Daily Subsistence Allowance rates for local travel, as a cost saving measure of project resources. The Daily Subsistence Allowance rates were found to be lower than the rates established by the International Civil Service Commission (ICSC).

These weaknesses resulted from lack of training in the use of the Atlas Travel Module, inadequate knowledge of the travel policy, as well as insufficient backup personnel to support the travel function.

In the event that travel management policies are not adhered to, there is an increase in the likelihood of unnecessary expenditure and misuse of resources.

Priority	High (Critical)
Recommendation 5:	
To improve travel management, the Office should:	
<ul style="list-style-type: none"> (a) comply with the UNDP travel policy, ensuring that appropriate insurance coverage is obtained, travel advances/claims are processed in accordance with policies and uniform Daily Subsistence Allowance rates are established; and (b) provide further training on the Atlas Travel Module to staff members involved in the processing, review and approval of travels. 	

Management action plan:

To address the shortcoming identified by OAI, the Office will carry out the following actions:

- (a) Travel management workflows will be analysed to identify areas for improvement and apply the necessary measures. The Office will be in constant communication with the travel unit from the Bureau for Management Services so that the travel unit is up to date and trained to provide an optimum response to travel management needs.
- (b) The Office will inform all personnel on all guiding principles of the travel management policy and procedures through an official communication. Atlas travel and expense guidelines will be also shared with personnel along with the links to the relevant info within the 'UNDP Programme and Operations Policies and Procedures'.
- (c) Ad hoc rates will be reviewed and set in those cases that so require, with the due justification of the projects.
- (d) A close follow up and if necessary, some restrictions will be imposed to those travellers who fail to comply with the submission of their travel claims to the authorizing unit within two weeks upon completion of travel. As such, any outstanding travel amounts during the indicated term could be discounted via payroll.
- (e) The monthly status of the travel dashboard will be sent to the Programme Officers, so they are aware of its updated version and take action when necessary.
- (f) Project administrators, who are responsible for the travel management of projects, will be evaluated based on the actions and follow-up made in the travel processes.
- (g) The Office will implement yearly training for personnel involved in travel processes regarding travel rules, general issues, requirements and approvals of travel requests, as well as the use of the Atlas Travel Module.
- (h) The travel unit will design quarterly factsheets with relevant information (policy, best practices, procedures, etc.) to be distributed within the Office and project counterparts.

Estimated completion date: December 2020

2. Human Resources Management

Issue 6 Shortcomings in service contract management

The service contract is a cost effective and flexible contracting modality used for the hiring of individuals under a non-staff contract. The 'UNDP Programme and Operations Policies and Procedures' stipulate the roles and responsibilities for the management of service contracts. The responsible officer, delegated by the Resident Representative, manages the planning, contracting and accountability of service contracts.

The audit team reviewed 41 service contracts out of the 552. The following issues in the management of service contracts were noted:

- (a) Improper use of service contract modality
 - Seven service contract holders, funded by projects, were completing work outside of the project terms of reference.

(b) Deficiencies in engagement of service contracts

- The Office lacked a roster of pre-assessed candidates of service contract holders, despite recruiting 552 personnel through this modality.

(c) Non-compliance in the remuneration package of service contracts

- Evidence of pension fund payment was only submitted to the Human Resources Unit upon renewal of service contracts at year end, instead of the payment being made quarterly as stipulated within the contract.

Weaknesses within the management of service contracts may have financial and reputational implications for the Office.

Priority	Medium (Important)
Recommendation 6: The Office should strengthen the management of service contracts by: <ul style="list-style-type: none"> (a) ensuring service contracts complete work stipulated within their terms of reference; (b) adhering to the policy on selection of service contractors, including use of rosters; and (c) complying with pension requirements. 	
Management action plan: The Office acknowledges the importance of these recommendations and will implement the following actions to address them: <ul style="list-style-type: none"> (a) Ensure the proper use of service contracts, the Human Resources Unit will develop a communication and follow-up strategy so that Programme Officers and Programme Associates follow the policy guidelines for employees holding service contracts. The strategy will comprise at least one workshop per year accompanied by recurrent communications in order to guarantee the correct implementation of the service contract guideline. (b) Provide assurance that the engagement of service contracts is fully compliant with policy. (c) Ensure compliance with the remuneration package and requirements stipulated for service contracts. In order to strengthen the human resources team regarding policies and procedures, training will be requested to be given by a "subject matter expert" in the region. Regarding the pension fund scheme, a revision/study will be carried out to determine the percentage to which each service contract holder is entitled. The results will be jointly analysed with the programme unit as there might be a financial impact in the programme/project budgets. The Human Resources Unit will take the necessary measures to assure that all service contract holders provide on a quarterly basis evidence that the pension fund is being paid as established in their contracts. 	
Estimated completion date: December 2020	

Definitions of audit terms - ratings and priorities

A. 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.

B. 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.
- **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.