



AUDIT

OF

UNDP COUNTRY OFFICE

IN

BENIN

Report No. 1015
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Report on the audit of UNDP Benin Executive Summary

From 19 June to 2 July 2012, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP) conducted an audit of UNDP Country Office in Benin (the Office). The audit covered the activities of the Office during the period from 1 January 2011 to 31 March 2012. During the period reviewed, the Office recorded programme and management expenditures totaling \$30.4 million. The last audit of the Office was conducted by OAI in 2006.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that OAI plans and performs the audit to obtain reasonable assurance on the adequacy and effectiveness of the governance, risk management, and control processes. The audit includes reviewing and analysing, on a test basis, information that provides the basis for our conclusions.

Audit rating

OAI assessed the Office as **satisfactory**, which means “Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that may negatively affect the achievement of the objectives of the audited entity.” This rating was given despite certain weaknesses in project management and in operations, as none of the issues identified was considered critical and as corrective actions were already being undertaken. Ratings per audit area and sub-areas are summarized below.

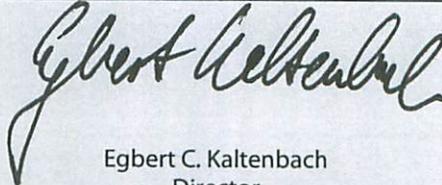
| Audit Areas | Not Assessed/ Not Applicable | Unsatisfactory | Partially Satisfactory | Satisfactory |
|---|------------------------------------|----------------|---------------------------|--------------|
| 1. Governance and strategic management | | | | |
| 2. United Nations system coordination | | | | |
| 2.1 Development activities | Satisfactory | | | |
| 2.2 Resident Coordinator Office | Satisfactory | | | |
| 2.3 Role of UNDP – “One UN” | Satisfactory | | | |
| 2.4 Harmonized Approach to Cash Transfers | Satisfactory | | | |
| 3. Programme activities | | | | |
| 3.1 Programme management | Satisfactory | | | |
| 3.2 Partnerships and resource mobilization | Satisfactory | | | |
| 3.3 Project management | Partially Satisfactory | | | |
| 4. Operations | | | | |
| 4.1 Human resources | Partially Satisfactory | | | |
| 4.2 Finance | Partially Satisfactory | | | |
| 4.3 Procurement | Partially Satisfactory | | | |
| 4.4 Information and communication technology | Satisfactory | | | |
| 4.5 Asset management & general administration | Satisfactory | | | |
| 4.6 Safety and Security | Partially Satisfactory | | | |

Key issues and recommendations

The audit raised seven issues. There are five recommendations, all of which were ranked medium (important) priority, which means “Action is required to ensure that UNDP is not exposed to significant risks. Failure to take action could result in negative consequences for UNDP.” These recommendations include actions to strengthen vendor creation and monitoring, and management of salary advances, and to ensure timely renewal of service contracts.

Management's comments

The Resident Representative accepted all the audit recommendations made and has started implementing them.

A handwritten signature in black ink, reading 'Egbert C. Kaltenbach', is enclosed in a rectangular box. Below the signature, the name and title are printed in a sans-serif font.

Egbert C. Kaltenbach
Director
Office of Audit and Investigations