

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP COUNTRY OFFICE**

**IN**

**VENEZUELA**

**Report No. 1566**  
**Issue Date: 12 February 2016**

## Report on the Audit of UNDP Venezuela Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Venezuela (the Office) from 16 to 27 November 2015. 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 and strategic management (organizational structure and delegations of authority, leadership/ethics and values, risk management, planning, business continuity, monitoring and reporting, financial sustainability);
- (b) United Nations system coordination (development activities, Resident Coordinator Office, role of UNDP – “One UN”, Harmonized Approach to Cash Transfers);
- (c) programme activities (programme management, partnerships and resource mobilization, project management); and
- (d) operations (human resources, finance, procurement, information and communication technology, general administration, safety and security).

The audit covered the activities of the Office from 1 January 2014 to 30 September 2015. The Office recorded programme and management expenditures of approximately \$75 million. The last audit of the Office was conducted by OAI in 2007.

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 **satisfactory**, which means, “Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity.”

### Key recommendations: Total = 6, high priority = 0


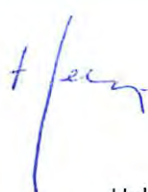
The audit did not result in any high (critical) priority recommendations. There are six medium (important) priority recommendations, which means, “Action is required to ensure that UNDP is not exposed to risks that are considered moderate. Failure to take action could contribute to negative consequences for UNDP.” These recommendations include actions to address weaknesses noted mainly in segregation of duties, adherence to corporate guidelines on the national implementation of projects, as well as in project and individual contracts management.

The six recommendations aim to ensure the following: (a) achievement of the organization’s strategic objectives (Recommendations 3 and 5); (b) reliability and integrity of financial and operational information (Recommendation 1); (c) effectiveness and efficiency of operations (Recommendation 6); and (d) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendations 2 and 4).

### Management comments and action plan

The Resident Representative accepted all six recommendations and is in the process of implementing them. Comments and/or additional information provided had been incorporated in the report, where appropriate.

Issues with less significance (not included in this report) have been discussed directly with management and actions have been initiated to address them.



Helge S. Osttveiten  
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