

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



*Empowered lives.  
Resilient nations.*

**AUDIT**  
  
**OF**  
  
**UNDP COUNTRY OFFICE**  
  
**IN**  
  
**TAJIKISTAN**

**Report No. 1619**  
**Issue Date: 15 June 2016**

## Report on the Audit of UNDP Tajikistan Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Tajikistan (the Office) from 4 to 15 April 2016. 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 2015 to 31 January 2016. The Office recorded programme and management expenditures of approximately \$34 million. The last audit of the Office was conducted by OAI in 2008.

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.”

### Good practice

#### Programme management

The Programme Management Support Unit developed the ‘Delivery Table’, a monitoring and management tool for senior management, as well as for programme and project staff. This provided an overview of core funds utilization for decision-making purposes and was also a mechanism used to monitor project budgets and delivery by providing, for example, ‘early warning’ of any errors or issues.

### Key recommendation: Total = 1, high priority = 1

The recommendation aims to ensure the following: (a) compliance with legislative mandates, regulations and rules, policies and procedures.

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:

Deficiencies in  
managing civil work  
projects (Issue 1)

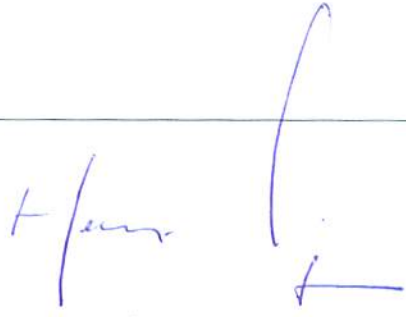
During the audited period, the Office managed 69 civil work procurement cases amounting to \$5.4 million. The audit reviewed nine civil work procurement cases amounting to \$2.1 million and visited four civil work projects amounting to \$247,000. For one case amounting to \$32,871 and related to the construction of a drinking water supply system, the Procurement Unit reported that the work was completed according to the delivery date specified in the contract (31 March 2016); however, as of the audit field visit dated 8 April 2016, the work was still in progress. For another case amounting to \$86,025 and related to the construction of five additional classrooms in a secondary school, the last certification of work issued by the UNDP engineer dated 2 December 2015 validated that 80 percent of the total volume of work had been implemented, including installation of the floor and interior work. During the audit field visit dated 8 April 2016, the work mentioned in the certification was still in progress.

Recommendation: The Office should strengthen civil work contracts management and monitoring by: (a) properly assessing work completion and reporting delays; and (b) carrying out spot checks and cross-verifications of reported completed works.

**Management comments and action plan**

The UN Resident Coordinator and UNDP Resident Representative accepted the recommendation and is in the process of implementing it. 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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