

AUDIT

OF

UNDP COUNTRY OFFICE

IN

MYANMAR

Report No. 1672
Issue Date: 19 August 2016

Report on the Audit of UNDP Myanmar Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Myanmar (the Office) from 14 to 23 June 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 and Resident Coordinator Office);
- (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 13 June 2016. The Office recorded programme and management expenditures of approximately \$38 million. The last audit of the Office was conducted by OAI in 2012.

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**, which means, "Internal controls, governance and risk management processes were generally established and functioning, but needed improvement. One or several issues were identified that may negatively affect the achievement of the objectives of the audited entity." This rating was mainly due to the following: inadequate actions taken to address the 2014 Global Staff Survey results; unrealistic resource targets in the Country Programme Document; target development results not achieved; delays in the approval of project annual work plans; inadequate human resources management; inactive bank accounts; delays in the liquidation of project cash advances; and inadequate controls over the receipt of offers.

Key recommendations: Total = 7, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are seven 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 in governance and strategic management, programme activities, and operations.

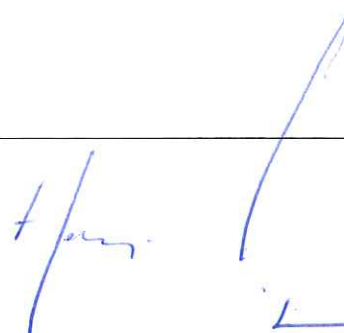
The seven recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Reliability and integrity of financial and operational information	2	Medium
Effectiveness and efficiency of operations	1	Medium
Compliance with legislative mandates, regulations and rules, policies and procedures	3, 4, 5, 6, 7	Medium

Management comments and action plan

The Resident Representative accepted all seven 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.

A handwritten signature in blue ink is located above the printed name. The signature appears to be 'H. Osttveiten' with a large, sweeping flourish extending upwards and to the right.

Helge S. Osttveiten
Director
Office of Audit and Investigations