AUDIT

OF

UNDP SUB-REGIONAL PLATFORM FOR WEST AND CENTRAL AFRICA

Pôle - Stratégies de développement et Finances publiques
(Directly Implemented Project No. 82861, Output Nos. 91579 and 95492)

Report No. 1688
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Report on the Audit UNDP Sub-Regional Platform for West and Central Africa  
Pôle - Stratégies de développement et Finances publiques  
(Project No. 82861, Output Nos. 91579 and 95492)  
Executive Summary

The UNDP Office of Audit and Investigations (OAI), from 11 to 22 April 2016, conducted an audit of Pôle - Stratégies de développement et Finances publiques (Project No. 82861, Output Nos. 91579 and 95492) (the Project), which is directly implemented and managed by the UNDP Sub-Regional Platform for West and Central Africa (the Sub-Regional Platform) based in Dakar. This was the first audit of the Project.

Based on the results of the risk assessment undertaken, 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 (organizational structure and delegations of authority);

(b) programme activities (project management); and

(c) operations (human resources, finance, procurement, and general administration).

The audit did not cover cash management, and information communication and technology. OAI conducted an audit of the UNDP Country Office in Senegal (the Office) in July 2016 during which the Project’s cash management, and information communication and technology were covered. Furthermore, the audit did not cover asset management, as there were no assets held by the Project during the audit period.

The audit covered the activities of the Project from 1 January 2014 to 31 December 2015, a period during which expenditures of approximately $1.8 million were recorded.

The audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing.

Overall audit rating

OAI assessed the project 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 weaknesses identified in the areas of governance and procurement.

Key recommendations: Total = 8, high priority = 2

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<tr>
<th>Objectives</th>
<th>Recommendation No.</th>
<th>Priority Rating</th>
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<tbody>
<tr>
<td>Achievement of the organization’s strategic objectives</td>
<td>1</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>2 and 3</td>
<td>Medium</td>
</tr>
<tr>
<td>Effectiveness and efficiency of operations</td>
<td>7</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>4, 5, 6, and 8</td>
<td>Medium</td>
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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:

Memorandum of Understanding not reflective of Project’s existing management structure (Issue 1)

Despite the changes in UNDP’s internal structure, such as the closure of the Regional Centre in Dakar and the transfer of management oversight of the Project to the Regional Service Centre in Addis Ababa and Sub-Regional Platform, the Memorandum of Understanding was not revised to reflect the changes and to clearly define roles, responsibilities, and accountabilities.

Recommendation 1: The Sub-Regional Platform, in coordination with the Donor, should revise the Memorandum of Understanding to clarify roles, responsibilities, and accountabilities under the existing management structure of the Project.

Inefficiencies in management of individual contractors (Issue 7)

The audit team noted that individual contractors were being paid for travel and living costs separately from the established contractor fees. This could have been avoided by factoring these costs in the individual contractors’ fees when the contracts were signed. Further, the roster of individual contractors was not yet completed at the time of the audit, which could have allowed direct sourcing of individual contractors from the roster. Lastly, the audit team noted ineffective procedures for setting up the evaluation panel. Although the ‘UNDP Programme and Operations Policies and Procedures’ allowed for having two panel members, the Office required at least three panel members for all desk reviews of individual contractors. This resulted in unnecessarily delays in the recruitment process when a third reviewer was not available.

Recommendation 2: The Sub-Regional Platform should improve the selection and procurement of individual contractors by: (a) including the travel and living costs in the individual contracts; (b) establishing a roster of individual contractors, duly approved by the relevant advisory committee on procurement; and (c) enhancing the procedure for setting up the evaluation panel to ensure quality and timeliness of the review of candidates.

Management comments and action plan

The Coordinator of the Sub-Regional Platform accepted all eight recommendations and is in the process of implementing them. Comments and/or additional information provided have 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
Director
Office of Audit and Investigations