

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



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP COUNTRY OFFICE**

**IN**

**LIBERIA**

**Report No. 1751**  
**Issue Date: 10 February 2017**

## Report on the Audit of UNDP Liberia Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Liberia (the Office) 21 November to 2 December 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, 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 30 September 2016. The Office recorded programme and management expenditures of approximately \$41.7 million. The last audit of the Office was conducted by OAI in 2010.

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 / some improvement needed**, which means, “The assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity.” This rating was mainly due to inadequate vendor verification procedures, and to a funding gap that resulted from the lack of realignment between programmatic results and resources framework.

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

The recommendation aims to ensure the reliability and integrity of financial and operational information.

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:

Inadequate vendor verification procedures (Issue 2)	The audit review found weaknesses in vendor data management, notably in the procedures for creating or updating vendor accounts, including the failure to systematically ensure that the vendor information provided was adequate, properly supported and vetted. This was mainly due to the fact that the Office relied solely on the vendor’s signature to process a vendor approval request, without blocking inconsistent vendor information as required by the Office’s standard operational procedures for vendor data management.
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Recommendation 1: The Office should strengthen the procedures for the verification of vendor information when creating a vendor account or when updating vendor information in Atlas by ensuring that vendor forms are adequately completed and vendor information is rigorously verified and matched with the proper supporting documents.

#### **Management comments and action plan**

The Resident Representative accepted the recommendation and is in the process of implementing it. 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 action has been initiated to address them.



Helge S. Osttveiten  
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