

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP COUNTRY OFFICE

IN

MALDIVES

Report No. 1767

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Report on the Audit of UNDP Maldives Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Maldives (the Office) from 12 to 23 March 2017. 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 (leadership, corporate direction, corporate oversight and assurance, corporate external relations and partnership);
- (b) programme (quality assurance process, programme/project design and implementation, knowledge management);
- (c) operations (financial resources management, ICT and general administrative management, procurement, human resources management, and staff and premises security); and
- (d) United Nations leadership and coordination.

The audit also reviewed the implementation of the One Leader and One Programme pillars of Delivering as One (DaO) by the United Nations agencies in Maldives. The objective was to assess the extent to which the One Leader and One Programme pillars are adequately configured and implemented to contribute to the achievement of the Country's development goals.

The audit covered the activities of the Office and DaO from 1 January 2016 to 28 February 2017. The Office recorded programme and management expenditures of approximately \$5 million. The last audit of the Office was conducted by OAI in 2011.

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, "The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area." This rating is based only on the review of the Office's activities and not on the DaO activities by the UN agencies in the Maldives.

Key recommendations: Total = 5, high priority = 0

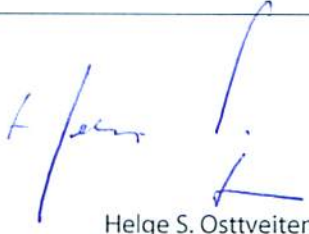
The audit did not result in any high (critical) priority recommendations. There are five medium (important) priority recommendations, which means, "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP." Of the five recommendations, three are addressed to the Office and two are addressed to the UN Country Team (UNCT) for DaO. The recommendations addressed to the Office include strengthening of project management, project closure and direct contracting.

The five medium priority recommendations aim to ensure the following: (a) achievement of the organization's strategic objectives (Recommendation 1); and (b) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendations 2 and 3). Two recommendations relate to alignment with the DaO standard operating procedures (Recommendations 4 and 5).

Management comments and action plan

The Resident Representative and the UNCT accepted all of the recommendations and are 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
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