

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



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP COUNTRY OFFICE**

**IN**

**GEORGIA**

**Report No. 1771**  
**Issue Date: 13 June 2017**

## Report on the Audit of UNDP Georgia Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Georgia (the Office) from 27 March to 7 April 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 covered the activities of the Office from 1 January 2016 to 31 January 2017. The Office recorded programme and management expenditures of approximately \$21 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."

### Good practices

Finance/Reporting and monitoring. The Office had developed software that produced comprehensive analytical reports using various and specific Atlas (the enterprise resource planning system of UNDP) queries. It reflected IPSAS and showed the projects' financial positions.

Finance/Cost recovery. The Office had developed, in 2005, software that had since been recognized as a tool created for recovering costs of services provided to projects and other United Nations agencies. This system had been shared with other UNDP offices.

**Key recommendations:** Total = 3, high priority = 0

The audit did not result in any high (critical) priority recommendations. There are three 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." These recommendations include actions to address weaknesses in programme/project design and implementation, ICT and general administrative management, and human resources management.

The three recommendations aim to ensure the following: (a) achievement of the organization's strategic objectives (Recommendation 1); (b) effectiveness and efficiency of operations (Recommendation 2); and (c) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 3).

#### Management comments and action plan

The Resident Representative accepted all three 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. Ostveiten  
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