

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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PERFORMANCE AUDIT

OF

THE UNDP REGIONAL BUREAU

FOR LATIN AMERICA AND THE CARIBBEAN

Report No. 1911

Issue Date: 11 May 2018

Report on the Performance Audit of the UNDP Regional Bureau for Latin America and the Caribbean Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of the UNDP Regional Bureau for Latin America and the Caribbean (RBLAC) from 12 February to 23 March 2018. Performance auditing is an independent examination of an entity to assess whether the entity is achieving economy, efficiency and results in the employment of available resources.

The audit aimed to assess to which extent RBLAC was effectively carrying out its key functions of providing strategic direction, oversight, and support to Country Offices in the region.

The following questions guided the work of the audit in responding to the main audit objective:

1. Is RBLAC adequately organized to guide and support the work of Country Offices in delivering on their commitments with programme countries?
2. Is the Regional Programme [2018-2021] adequately designed and are conditions in place for its successful implementation?
3. Are operations performed in compliance with UNDP policies and procedures?

The audit covered the activities of the Office from 1 January to 31 December 2017. RBLAC was last audited 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 / 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/area. This rating was mainly due to insufficient capacity in the Regional Hub to meet Country Office needs.

Key recommendations: Total = 5, high priority = 1

The five recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization’s strategic objectives	1	High
	2, 4	Medium
Effectiveness and efficiency of operations	3	Medium
Compliance with legislative mandates, regulations and rules, policies and procedures	5	Medium

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:

Misalignment between structure and resources at the Regional Hub (Issue 1)

The audit team noted that the capacity in the Regional Hub had been affected by 35 vacant positions. The vacant positions had never been filled since the restructuring in 2014, as well as the result of further office attrition. This was mainly because RBLAC depended on other Bureaux for filling the positions. Corporately, vacancies were also subjected to additional corporate assessments and verification starting November 2017 to align staff capacity to available resources. At the time of the audit, the Bureau for Policy and Programme Support was undergoing a restructuring exercise. Therefore, hiring was on hold until the finalization of this exercise. For RBLAC staff, 10 out of 22 (45 percent) professional posts were vacant. For Bureau for Policy and Programme Support, 20 out of 51 (39 percent) out-posted professional posts were vacant as of March 2018.

Recommendation: The Regional Bureau for Latin America and the Caribbean should, in coordination with the Executive Office, the Bureau for External Relations and Advocacy, and the Bureau for Policy and Programme Support, align its structure with the available financial resources. This should include identifying and filling the key positions that will enable it to deliver on its programmatic and operational priorities.

Management comments and action plan

The Assistant Administrator and Director ad interim of RBLAC accepted all of the recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated in the report, where appropriate.

Low risk issues (not included in this report) have been discussed directly with management and actions have been initiated to address them.



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