

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



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP COUNTRY OFFICE**

**IN**

**NIGERIA**

**Report No. 1920**  
**Issue Date: 5 June 2018**

## Report on the Audit of UNDP Nigeria Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Nigeria (the Office) from 9 to 20 April 2018. 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 2017 to 31 March 2018. The Office recorded programme and management expenses of approximately \$31 million. The last audit of the Office was conducted by OAI in 2015.

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 weaknesses in project implementation.

**Key recommendation:** Total = 3, high priority = 1

The three recommendations aim 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:

Weaknesses in project implementation (Issue 1)	The review of seven development projects with a total expenditure of approximately \$10 million disclosed the following: projects were implemented without reviews from the Local Project Appraisal Committee; steering committee minutes were missing; there was a lack of quarterly progress reports; and there was no evidence of supervisory checks ensuring that the necessary project appraisal steps were regularly undertaken prior to project approval. In one case, \$1.34 million was paid to a private company on behalf of the implementing partner in two installments of approximately \$736,000 and \$599,000 each, and these funds were not accounted for. In addition, there was no prior capacity assessment of the implementing partner.
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Recommendation: The Office should strengthen project implementation by establishing supervisory checks and, for the funds totalling \$1.34 million that were expensed to the company and not accounted for, by following up with the implementing partner and undertaking site visits to obtain evidence that activities planned were implemented and funds were used for intended purposes.

**Implementation status of previous OAI audit recommendations:** Report No. 1518, 5 October 2015

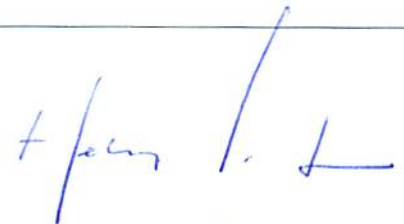
Total recommendations: 4

Implemented: 4

**Management comments and action plan**

The UN Resident Coordinator and UNDP 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.

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



Helge S. Ostveiten  
Director  
Office of Audit and Investigations