

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP COUNTRY OFFICE

IN

MADAGASCAR

Report No. 1921

Issue Date: 5 June 2018

Report on the Audit of UNDP Madagascar Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Madagascar (the Office) from 12 to 23 March 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 July 2016 to 31 December 2017. The Office recorded programme and management expenditures of approximately \$25.9 million. The last audit of the Office was conducted by OAI in June 2014.

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 governance, programme activities, and operations.

Key recommendations: Total = 7, high priority = 0

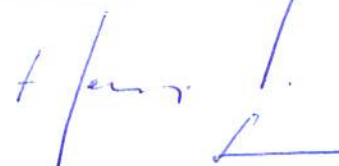
The audit did not result in any high (critical) priority recommendations. There are seven medium (important) priority recommendations, which means “Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.”

Objectives	Recommendation No.	Priority Rating
Achievement of the organization’s strategic objectives	1, 2, 3, 4	Medium
Efficiency and effectiveness of operations	6	Medium
Compliance with legislative mandates, regulations and rules, policies and procedures	5, 7	Medium

Management comments and action plan

The Resident Representative accepted all seven recommendations and is in the process of implementing them. Comments and/or additional information provided had 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.

A handwritten signature in blue ink is enclosed in a rectangular box. The signature is cursive and appears to read 'H. Ostveiten'.

Helge S. Ostveiten
Director
Office of Audit and Investigations