

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP COUNTRY OFFICE

IN

UKRAINE

Report No. 1987
Issue Date: 16 August 2018

Report on the Audit of UNDP Ukraine Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Ukraine (the Office) from 29 May to 8 June 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 \$179 million. Of which, \$115.9 million was incurred against the Procurement Support Services to the Ministry of Health of Ukraine Project (Project No. 90474) and directly implemented by the Office. The last audit of the Office was conducted by OAI in 2015.

The audit fieldwork also included the audit of the above-mentioned Project No. 90474. The project areas of governance and strategic management, programme management, procurement, asset management and financial management were covered by the project audit. The results of the project audit are covered under a separate OAI report (Report No. 1988, issued on 16 August 2018).

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

Operations/Paperless office initiative: The Office initiated the implementation of a “green office concept” in 2016 and developed a Policy on Paperless Office. The Policy included transitioning towards paperless working, performing daily tasks electronically and making use of systems to support electronic processing, storage and retrieval, signing and sharing/circulation.

Human resources/Work-life balance: The Office and the staff association had been active in promoting the work-life balance of staff. For example, the Office ensured that meetings were organized, and emails were answered only during office hours.

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, operations, and United Nations leadership and coordination.

The three 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).

Implementation status of previous OAI audit recommendations: Report No. 1493, 18 December 2015.

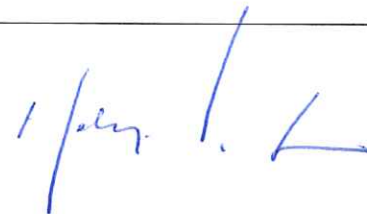
Total recommendations: 7

Implemented: 7

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.

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, appearing to read 'Helge S. Osttveiten', is written inside a rectangular box.

Helge S. Osttveiten
Director
Office of Audit and Investigations