

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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DESK REVIEW

OF

UNDP COUNTRY OFFICE

IN

NICARAGUA

Report No. 1989
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Report on the Desk Review of UNDP Nicaragua Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a desk review of UNDP Nicaragua (the Office) from 16 July to 31 August 2018. Following the decision by the Government to cease operations with UNDP, the review aimed to assess the adequacy and effectiveness of the risk management and control processes relating to the following areas and sub-areas:

Audit area/sub-area	Objectives
Programme/Programme/Project Design and Implementation	To assess whether project closure was properly undertaken, to include donor refunds.
Operations/Financial Resources Management	To assess whether the Office's financial resources were adequately managed with regards to: <ul style="list-style-type: none"> (a) Account receivables, income adjustments and status of refunds to donors. (b) Accounts payable, adjustments, commitments and pending payments (if any).
Operations/Human Resources Management	To assess whether staff separations were properly undertaken, including benefit settlements of staff members and service contractors, and to assess any liabilities arising from those separations.
Operations/Staff and Premises Security	To assess the status of existing assets and transfer or disposals, including the UNDP premises.
United Nations Leadership and Coordination	To assess common services and cost recovery from UN agencies for the use of premises and services rendered by the Office. No further work was done in this area since there was no United Nations Development Assistance Framework or Country Programme Document in place. Each UN agency operated independently, based on individual programmatic arrangements with their counterparts within the Government.

The desk review covered the activities of the Office from 1 January 2016 to 31 March 2018. The Office recorded programme and management expenses of approximately \$10.4 million. The last audit of the Office was conducted in 2013.

The desk review 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."

Key recommendations: Total = 2, high priority = 0

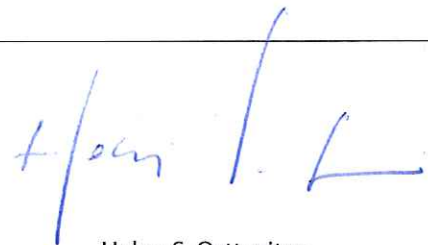
The review did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, which means "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address delays in project closure, and assets pending to be disposed.

The two recommendations aim to ensure compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 1), and the safeguarding of assets (Recommendation 2).

Management comments and action plan

The Deputy Regional Director of the Regional Bureau for Latin America and the Caribbean accepted the two 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 the Regional Bureau for Latin America and the Caribbean management and actions have been initiated to address them.



Helge S. Ostveiten
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