

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP COUNTRY OFFICE

IN

KUWAIT

Report No. 2037
Issue Date: 11 April 2019

Report on the Audit of UNDP Kuwait Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Kuwait (the Office) from 11 to 22 February 2019. 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 2018 to 31 December 2018. The Office recorded programme and management expenses of approximately \$17 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 due to low delivery within the 2015–2018 programme, as well as weaknesses within travel management.

Key recommendations: Total = 5, high priority = 2

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

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 recommendations are presented below:

Low delivery within
2015–2018 programme
(Issue 2)

For the programme cycle (2015–2018, extended to 2019) there was unspent budget of \$24 million as of December 2018, equivalent to 39 percent of the programme remaining unutilized. Low delivery was raised as the main concern during meetings with the Government and implementing partners. The main factors contributing to the low delivery were related to delays in recruitment and delays within procurement.

Recommendation: The Office should improve programme delivery by: (a) establishing projects of longer duration within the next programme cycle; (b) renegotiating the local policy requirement in which the Government is required to attend and endorse specific stages within the procurement and recruitment process; and (c) establishing minimum standards with expected time-frames for each stage within the recruitment and procurement process.

Weaknesses in travel
management (Issue 5)

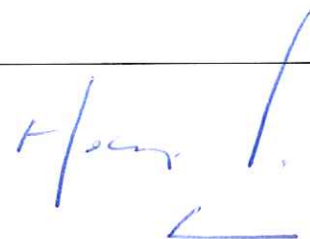
During the period under review, the Office processed 46 travel requests with a total value of \$133,168. In 2018, travel claims had not been submitted for any travels within the audit period. Therefore, the Office was not verifying whether the travel took place, and to what extent the travel advance had been utilized and settled.

Recommendation: The Office should require that the travel claims, including supporting documents, be submitted by the traveller for verification within two weeks of the end of the mission.

Management comments and action plan

The Resident Representative accepted all five 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. Osttveiten
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