

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



*Empowered lives.  
Resilient nations.*

**AUDIT**  
  
**OF**  
  
**UNDP COUNTRY OFFICE**  
  
**IN**  
  
**INDIA**

**Report No. 2038**  
**Issue Date: 22 March 2019**

## Report on the Audit of UNDP India Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP India (the Office) from 4 to 15 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 to 31 December 2018. The Office recorded programme and management expenses of approximately \$45.5 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 the Office not meeting its programme delivery targets.

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

The three recommendations aim to ensure the following:

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

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:

Programme delivery  
targets not met (Issue 1)

In 2018, the Office's delivery was only \$39.9 million against the target of \$51.5 million (76 percent) of the Regional Bureau for Asia and the Pacific and against \$52.3 million (77 percent) of the Office's programme budget. The Office had not achieved its delivery targets from 2016 to 2018. While programme resources were available, factors such as delays in government co-financing in 2016, and the subsequent restructuring of the Office in 2017 contributed in part to the under-delivery according to management.

Recommendation: The Office should enhance programme delivery by ensuring: (a) close cooperation between operations and programme units is established for the efficient implementation of procurement and recruitment activities; (b) annual work plans are realistic and adjusted as appropriate to any emerging risks identified during the mid-year review that may impact the implementation of activities; and (c) close monitoring by senior management of the output targets and a prompt response to implementation challenges.

**Management comments and action plan**

The Resident Representative accepted all 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.

One issue, relating to safeguarding of assets that were under the purview of UNDP as set forth in an inter-agency agreement, was separately referred to the relevant UN agency.



Helge S. Osttveiten  
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