



AUDIT

OF

UNDP COUNTRY OFFICE

IN

TURKEY

Report No. 2042
Issue Date: 8 November 2019

Report on the Audit of UNDP Turkey Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Turkey (the Office) from 2 to 13 September 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 coordination¹.

The audit covered the activities of the Office from 1 January 2018 to 30 June 2019. The Office recorded programme and management expenditures approximately \$63 million. The last audit of the Office was conducted by OAI in 2016.

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

OAI identified the following good practices:

Operations/Procurement. In October 2018, the Office launched a Procurement Case Management System that is complementary to the corporate tool introduced in UNDP called PROMPT; through this system, staff/personnel upload their procurement requirements/needs using a web-based tool. Once uploaded, the procurement documents are reviewed and cleared by the Procurement Unit. Each step of the procurement action is therefore traced through system-generated email notifications. The system also serves as a repository of all procurement documentation.

Operations/Human resources management. The Human Resources Unit developed two products that were posted by the corporate Talent Development Unit on their website to be used as reference material by any office. One relates to 'Gender-sensitive Recruitment Guidelines', developed as part of the 2019 Country Office Gender Seal Exercise. The second product was an Orientation Handbook intended to assist incoming personnel.

OAI considered the above initiatives good practices that could be replicated for use and application in other offices within UNDP.

Key recommendations Total = 2, high priority = 1

¹ UN coordination is only relevant for 2018; as such, the activities audited for 2019 excluded UN coordination.

The two recommendations aim to ensure the following: (a) achievement of the organization's strategic objectives (Recommendation 2, medium priority); and (b) effectiveness and efficiency of operations (Recommendation 1, high priority).

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:

Lapses in organizational structure and Office efficiency impaired by workflows (Issue 1)

The audit team identified several gaps in the Office's existing structure and internal processes that hindered operational efficiency, as follows:

- Inefficient coordination between the Syrian programme and other programme portfolios hampering the working relationship with the counterparts.
- The Office established the Programme Support Center (PSC) unit to provide operational support to programme and operations areas on different capacities. The PSC reported to both heads of programme and operations following a dual matrix reporting scheme. However, due to the matrix reporting some roles were unclear and overlapping, thus, responsibility and accountability became unclear.
- The procurement function was not fully centralized, which led to the following: (i) difficulties in the monitoring and supervision of the procurement function; (ii) procurement project personnel under individual contract modalities conducting project procurement functions; and (iii) service contract holders involved in all phases of the procurement functions, conducting core procurement functions.

Recommendation 1: To enhance efficiency in its operations, the Office should improve its organizational structure, workflows and functions by: (a) strengthening coordination (including adequately staffing) between the Syrian programme and other programme portfolios clusters for greater integration and collaboration to take place; (b) clarifying the role of the Programme Support Center; and (c) fully centralizing the procurement function and ensuring that core procurement functions are carried out by staff members.

Implementation status of previous OAI audit recommendations: Report No. 1690, 6 October 2016.

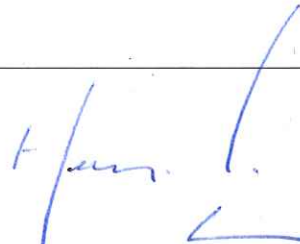
Total recommendations: 5

Implemented: 5

Management comments and action plan

The Resident Representative accepted both 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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