

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP COUNTRY OFFICE

IN

SIERRA LEONE

Report No. 2052

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Report on the Audit of UNDP Sierra Leone Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Sierra Leone (the Office) from 30 September to 11 October 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); and
- (c) operations (financial resources management, ICT and general administrative management, procurement, human resources management, and staff and premises security).

The audit covered the activities of the Office from 1 January 2018 to 30 June 2019. The Office recorded programme and management expenses of approximately \$33.3 million. The last audit of the Office was conducted by OAI in 2017. At the time of the audit, there was an ongoing investigation in the Office being conducted by OAI.

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." This rating was mainly due to inadequate monitoring of Country Programme Document (CPD) results, as well as inadequate procurement control processes.

Key recommendations: Total = 4, high priority = 2

The four recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization's strategic objectives	1	High
Compliance with regulations and rules, policies and procedures	2	Medium
	3	High
Reliability and integrity of financial and operational information	4	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. Both high (critical) priority recommendations are presented below:

Inadequate monitoring of the Country Programme Document results (Issue 1)

The Programme Board for the 2015–2019 programme cycle was not fully functional and did not provide oversight over the Office’s progress in achieving CPD objectives. In addition, there were delays in the implementation of monitoring systems. The programme cycle started in 2015 but implementation of the monitoring systems was effectively done in the second half of 2018. Furthermore, progress in achieving programme targets was measured at an activity level rather than the CPD or programme outcome levels. Since the indicators were at the activity level and not at the CPD level, they did not provide a reliable and objective measure of the Office’s progress towards the achievement of CPD objectives.

Recommendation: The Office should strengthen programme monitoring for the new Country Programme (2020-2023) by ensuring that: (a) the Programme Board is fully functional and provides expected oversight over progress in achieving the Country Programme objectives; and (b) programme monitoring systems are in place at the start of the program cycle, progress of the Country Programme is measured at an outcome level, and results indicators are measurable.

Inadequate procurement control processes (Issue 3)

The following weaknesses in procurement were noted:

- Direct contracting of transport services valued at \$224,698 was not submitted for review to the Regional Advisory Committee on Procurement, although the Office’s delegated procurement authority was \$150,000 and the direct contracting amount exceeded the 50 percent of the delegated procurement authority.
- The Office procured and received printing services for election materials for \$256,047 before approving and submitting the purchase order to the vendor.
- There were 10 procurement cases where evaluation procedures as recommended by the ‘UNDP Programme and Operations Policies and Procedures’ were not properly followed.
- There were also six cases of approximately \$432,000 where contracts had expired but the provision of work or services had not been completed by the vendor. In two cases involving infrastructure works, the contracts were due to be completed in July 2018 but as of October 2019, 15 months later, works under these contracts had not been finalized.

Recommendation: The Office should improve procurement control processes by: (a) submitting the procurement case on direct contracting above its delegated procurement authority to the Regional Advisory Committee on Procurement for review, and issuing and approving purchase orders prior to contracting; (b) applying the evaluation criteria set in the solicitation documents in the evaluation of bids, and using the appropriate evaluation method; and (c) strengthening contract management through monitoring progress against project milestones.

Implementation status of previous OAI audit recommendations: Report No. 1881, 25 August 2017.

Total recommendations: 9

Implemented: 9

Management comments and action plan

The Resident Representative accepted all four 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.


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