UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations

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AUDIT

OF

UNDP COUNTRY OFFICE

IN

BURKINA FASO

Report No. 2094

Issue Date: 12 December 2019

(REDACTED)

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Report on the Audit of UNDP Burkina Faso
Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Burkina Faso (the Office) from 23 September to 4 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, 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.[1]

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 $18.5 million. The last audit of the Office took place 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/major improvement needed**, which means "the assessed governance arrangements, risk management practices and controls were established and functioning, but need major improvement. Issues identified by the audit could significantly affect the achievement of the objectives of the audited entity/area." This rating was mainly due to the Office's financial sustainability being at risk, the need for a review of the Country Programme Document targets, and delays in the formulation and initiation of new projects.

Key recommendations: Total = **13,** high priority = **3**

The 13 recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization's strategic objectives	3, 5	High
	1, 4	Medium
Effectiveness and efficiency of operations	6	High
Safeguarding of assets	7, 8	Medium
Compliance with legislative mandates, regulations and rules, policies and procedures	2, 9, 10, 11, 12, 13	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. All high (critical) priority recommendations are presented below:

[1] This audit covered the activities under this area only for 2018.

Office's financial sustainability at risk (Issue 3)	The Office's financial sustainability was at risk, the audit team noted that: ▪ The Office faced significant challenges related to resource mobilization. Where on average $1 of core resources contributed to mobilizing $4 of non-core resources in the Regional Bureau for Africa, the Office was lagging with $1 of core generating $2 of non-core resources. ▪ There was low mobilization of resources from traditional international donors. While the audit team noted a notable attempt to get local government cost-sharing, this initiative was not successful as only $6 million of the targeted $350 million had materialized one year toward the end of the programme cycle. ▪ The allocation of core resources decreased from $1.15 million in 2018 to $0.6 million in 2019. ▪ The staffing level of the Office made sustainability risky. The Office had maintained 13 service contract holders who performed core management work, which was not in line with UNDP policies. ▪ The organizational structure of projects was not always commensurate with the level of delivery and activities to be implemented. Recommendation: To improve financial sustainability, the Office should: (i) finalize the review of the financial sustainability strategy; (ii) adapt its operational and project costs to the resources and the level of activities; and (iii) increase non-core resource mobilization efforts to bring performance in line with the Regional Bureau for Africa average.
Unrealistic Country Programme Document targeted results (Issue 5)	To achieve the outcomes planned for the programme period 2018–2020, a budget of $377 million was set in the Country Programme Document. At the time of the audit, the Office was about two thirds of the way through the programme period, but had only managed to deliver $21 million, compared to the linear projection estimated at $220 million. Recommendation: Prior to requesting an extension of the Country Programme Document, the Office should review it and ensure that programme and resource targets are realistic.
Delayed formulation and initiation of new projects (Issue 6)	There were delays in the formulation and initiation of new projects. In three cases, there was almost two years between the receipt of the project document and its submission to the Local Project Appraisal Committee for review. Additionally, two projects with durations between two and three years started their activities six months after the start date indicated in the project documents. The audit team also noted that the recruitment of the project teams was completed between 8 and 10 months after the start date of the projects. Recommendation: The Office should enhance project formulation and implementation by: (i) timely preparing and conducting quality control of project documents and ensuring their timely review by the Local Appraisal Project Committee; and (ii) completing recruitment processes in a timely manner to prevent delays in the implementation of project activities.

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Implementation status of previous OAI audit recommendations: Report No. 1497, 21 January 2016.
Total recommendations: 9
Implemented: 9

Management comments and action plan

The Resident Representative accepted all of the 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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