

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



*Empowered lives.  
Resilient nations.*

**AUDIT**  
  
**OF**  
  
**UNDP COUNTRY OFFICE**  
  
**IN**  
  
**NIGER**

**Report No. 2095**  
**Issue Date: 30 December 2019**

## Report on the Audit of UNDP Niger Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Niger (the Office) from 28 October 2019 to 8 November 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.<sup>1</sup>

The audit covered the activities of the Office from 1 January 2018 to 30 September 2019. The Office recorded programme and management expenses of approximately \$55.2 million. The last audit of the Office was conducted by OAI in 2014.

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 weaknesses in the management of the Harmonized Approach to Cash Transfers (HACT).

**Key recommendations:** Total = 4, high priority = 1

The four recommendations aim to ensure the following:

| Objectives   | Recommendation No. | Priority Rating |
|--|--------------------|-----------------|
| Achievement of the organization's strategic objectives                               | 1                  | Medium          |
| Compliance with legislative mandates, regulations and rules, policies and procedures | 2, 3               | Medium          |
|  | 4                  | 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 recommendation is presented below:

---

<sup>1</sup> The audit covered the activities under this area only for 2018.

Deficiencies in applying  
HACT principles  
(Issue 4)

The audit team reviewed HACT Framework implementation and assurance activities for nine active implementing partners during the audit period and noted the following weaknesses:

- Four implementing partners received funds during the current project cycle each exceeding the threshold of \$300,000 with no previous micro-assessment reported during the cycle.
- One implementing partner, which was rated as an overall "Significant" risk, had one spot check planned instead of the minimum two spot checks per year mandated by the policy for cash transfers made to implementing partners with this risk rating.
- For one implementing partner with an overall risk rating of "Moderate", no evidence was available that the planned spot check and programme visit were carried out.

Recommendation: The Office should improve the management of HACT by: (a) performing micro-assessments for implementing partners receiving funds exceeding the threshold of \$300,000; and (b) ensuring that the HACT quality assurance plan is aligned with the risk ratings and is duly implemented.

**Implementation status of previous OAI audit recommendations:** Report No. 1379, 28 October 2014.

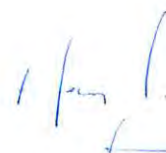
Total recommendations: 5

Implemented: 5

### 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.



Helge Osttveiten  
2019.12.30  
11:35:59 -05'00'

Helge S. Osttveiten  
Director  
Office of Audit and Investigations