

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP COUNTRY OFFICE

IN

URUGUAY

Report No. 2182
Issue Date: 15 May 2020

Report on the Audit of Uruguay Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a remote audit of UNDP Uruguay (the Office) from 30 March to 17 April 2020. The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the following areas:

- (a) Governance
- (b) Development activities
- (c) Operations - procurement, finance, human resources, administrative services, information communication and technology (ICT)

The audit covered the activities of the Office from 1 January 2018 to 31 December 2019. The Office recorded programme and management expenses of approximately \$54.4 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*. In view of the COVID-19 pandemic the audit was completed remotely. Scope limitations due to the nature of the remote audit related to the following activities:

- (a) Review of original supporting documentation could not be carried out, the audit team relied on scanned copies of documents provided by the Office for all audit areas reviewed;
- (b) Meetings with Office staff and personnel were carried out virtually which limited the audit teams understanding of the Office working environment such as identifying non-verbal feedback and observing Office interactions;
- (c) Project visits (location, site visits, meeting with counterparts/beneficiaries) were not conducted;
- (d) Physical verification of assets was not performed;
- (e) Safe and petty cash contents were not verified; and
- (f) The Information Communication and Technology area was not reviewed onsite

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."

Key recommendations: Total = **2**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, which means "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address flaws in organizational structure, and shortcomings in service contracts management.

The two recommendations aim to ensure the following: (i) achievement of the organization's strategic objectives (Recommendation 1); and (ii) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 2).

Management comments and action plan

The Resident Representative of UNDP Uruguay 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
Osttveiten
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Helge S. Osttveiten
Director
Office of Audit and Investigations