



**AUDIT**

**OF**

**UNDP COUNTRY OFFICE**

**IN**

**COLOMBIA**

**Report No. 2185**  
**Issue Date: 4 December 2020**

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## Report on the Audit of UNDP Colombia Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Colombia (the Office) from 12 to 30 October 2020. 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
- (b) Development activities
- (c) Operations – procurement, finance, human resources, administrative services, information communication and technology (ICT)

OAI designed the following performance audit questions to guide the review of the following areas and sub-areas:

- (a) Governance
  - i. Was the Office’s organizational structure adequate to achieve the agreed results in its portfolio of projects?
- (b) Development activities
  - ii. Was project management undertaken effectively?
    - a. Were projects designed with clear and measurable results linked to strategic objectives?
    - b. Were project monitoring and change management timely undertaken?
- (c) Procurement
  - iii. Were procurement activities conducted effectively?
    - a. Did the Office procure goods and services in a timely manner?
    - b. Was value for money achieved?
- (d) Finance
  - iv. Were financial transactions processed timely and accurately?

The audit covered the activities of the Office from 1 January 2019 to 30 September 2020. The Office recorded programme and management expenses of approximately \$121.4 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*. Due to the COVID-19 pandemic, the audit was conducted remotely. Scope limitations due to the nature of the remote audit related to the following activities:

- (a) A review of original supporting documentation could not be carried out, and therefore 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 team’s understanding of the Office’s working environment.

- (c) Project visits (location, site visits, meeting with counterparts/beneficiaries) were not conducted. Interviews with selected project counterparts, government officials, donors and project beneficiaries were carried out virtually.
- (d) A physical verification of assets was not performed.
- (e) Safe and petty cash contents were not verified.

### 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 practice:

The Office developed a geo referenced project monitoring tool incorporating additional data from national institutions to support project monitoring and implementation.

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

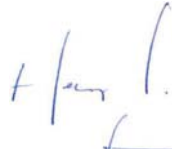
The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, which means “Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.” These recommendations include actions to address weaknesses in project management, and weaknesses in submissions to the independent review committees.

The two recommendations aim to ensure the following: (i) effectiveness and efficiency of operations (Recommendations 2); and (ii) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 1).

### Management comments and action plan

The Resident Representative accepted the two 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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