

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP COUNTRY OFFICE

IN

KYRGYZSTAN

Report No. 2190
Issue Date: 5 June 2020

Report on the Audit of UNDP Kyrgyzstan Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Kyrgyzstan from 20 April to 5 May 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 – planning and risk management; and organizational chart and overall staffing.
- (b) Development activities – Country Programme; implementation modalities; and project administration.
- (c) Operations – procurement and finance.

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

- (a) Governance:
 - (1) Were the Office's 2019 strategic objectives clearly set to address the Country's priorities and needs and were they in line with the Country Programme Document?
- (b) Development activities:
 - (2) Were the programme outputs in line with the strategic objectives and was project implementation adequately and timely monitored?
 - (3) Were programme and project results measurable, were targets achieved, and was the Office able to effectively assess programme and project impact?

The audit covered the activities of the Office from 1 January 2019 to 31 January 2020. The Office recorded programme and management expenses of approximately \$21 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 observations of Office interactions and dynamics.
- (c) Project site visits were not conducted.
- (d) Safe and petty cash contents were not verified.

Overall audit rating

OAI assessed the Office's performance 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 recommendation: Total = 1, high priority = 0

The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, 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." The recommendation includes actions to address the efficiency of the payment process.

The recommendation aims to ensure effectiveness and efficiency of operations (Recommendation 1, medium priority).

Implementation status of previous OAI audit recommendations: Report No. 1741, 13 January 2017.

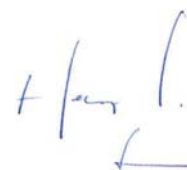
Total recommendations: 1

Implemented: 1

Management comments and action plan

The Resident Representative accepted the recommendation and is in the process of implementing it. 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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Helge Osttveiten

2020.06.05

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Helge S. Osttveiten
Director
Office of Audit and Investigations