



AUDIT

OF

UNDP COUNTRY OFFICE

IN

CHAD

Report No. 2206
Issue Date: 24 December 2020

Report on the Audit of UNDP Chad Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Chad (the Office) from 3 to 19 November 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)

The audit covered the activities of the Office from 1 January 2019 to 31 August 2020. The Office recorded programme and management expenses of approximately \$74 million. The last audit of the Office was conducted by OAI in 2017.

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.
- (d) A physical verification of assets was not performed.
- (e) Safe and petty cash contents were not verified.
- (f) The information communication and technology area was not reviewed on-site.

Overall audit rating

OAI assessed the Office’s performance 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 issues in the areas of governance, development activities, finance, procurement, and administrative services.

Key recommendations: Total = **12**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There are 12 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.”

Objectives	Recommendation No.	Priority Rating
Achievement of the organization’s strategic objectives	1, 3, 6	Medium
Reliability and integrity of financial and operational information	5, 7	Medium
Effectiveness and efficiency of operations	4, 12	Medium
Safeguarding of assets	8, 9, 10, 11	Medium
Compliance with legislative mandates, regulations and rules, policies and procedures	2	Medium

Implementation status of previous OAI audit recommendations: Report No. 1886, 5 October 2017.

Total recommendations: 10

Implemented: 10

Management comments and action plan

The Resident Representative accepted all 12 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.

A handwritten signature in blue ink, appearing to read 'B G Simpson', is enclosed in a black rectangular box.

Brett Simpson
Officer-in-Charge
Office of Audit and Investigations