



AUDIT

OF

UNDP COUNTRY OFFICE

IN

SENEGAL

Report No. 2274
Issue Date: 26 February 2021

Report on the Audit of Senegal Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Senegal (the Office) from 16 November to 10 December 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 30 September 2020. The Office recorded programme and management expenses of approximately \$17 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 was partially carried out, and therefore the audit team relied mainly on scanned copies of documents provided by the Office for all audit areas reviewed.
- (b) Meetings with Office staff and personnel were partially 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) The information communication and technology area was not reviewed on-site.

Overall audit rating

OAI assessed the Office’s performance as **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/area.” This rating was mainly due to weaknesses within the Office’s financial sustainability.

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

The five recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization’s strategic objectives	1	High
Effectiveness and efficiency of operations	3	Medium
Safeguarding of assets	2, 4	Medium

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:

Weaknesses in Office
financial sustainability
(Issue 1)

From 2015 to 2018, the Office supported the implementation of a large programme with a budget totalling \$212 million. In 2018, the programme was closed, and the Office's delivery decreased from \$121 million in 2017 to approximately \$10 million per year. Despite a decrease of 90 percent in the Office's annual delivery, there was no corresponding change in the Office's structure.


Furthermore, during the audit period, the funding of the Office lacked diversification, with the Global Environment Facility and the host country funding accounting for 90 percent of funds received. In addition, as of December 2020, the Government Contribution towards Local Office Costs of \$3 million remained unpaid, which had accumulated since 2012.

Recommendation: The Office should optimize its structure and ensure its financial sustainability by: (i) coordinating with the Regional Bureau for Africa to finalize the organizational structure; (ii) exploring new resource mobilization opportunities; and (iii) collecting the outstanding Government Contribution towards Local Office Costs.

Management comments and action plan

The Resident Representative accepted all four 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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2021.02.26
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