

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



AUDIT

OF

UNDP COUNTRY OFFICE

IN

NIGERIA

Report No. 2301
Issue Date: 7 May 2021

Report on the Audit of UNDP Nigeria Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Nigeria (the Office) from 8 to 24 February 2021. 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) Development activities:
 - i. Was the office on target in implementing its programme and projects as planned?
 - ii. Was the achievement of planned results adequately monitored?
- (b) Procurement:
 - i. Did procurement processes result in the contracting of required services and products at best value for money with fairness, transparency, and integrity?
 - ii. Were procurement processes conducted in a timely manner?

The audit covered the activities of the Office from 1 January to 31 December 2020. The Office recorded programme and management expenses of approximately \$61 million. The last audit of the Office was conducted by OAI in 2018.

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 were as follows:

- (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 **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 incorrect use of fixed term appointments when engaging individuals for development projects.

Key recommendation(s): Total = **4**, high priority = **1**

The five recommendations aimed to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization's strategic objectives	2 and 3	Medium (Important)
Effectiveness and efficiency of operations	1	High (Critical)
	4 and 5	Medium (Important)

For high (critical) priority recommendations, prompt action is required to ensure UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP. All high (critical) priority recommendations are presented below.

Incorrect use of fixed term appointments (issue 1)

During the audit period the Office recruited 20 national project staff under the Fixed Term Appointment (FTA) modality, instead of using the service contract modality. Prior to this, in 2019, an advisory mission for the project, including staff from the Regional Bureau for Africa, recommended resourcing project personnel through the service contract modality.

Recommendation: (a) discontinue using the fixed term appointments when engaging individuals for development projects (b) document the identified risks and cost-benefit analysis prior to making significant business decisions.


Implementation status of previous OAI audit recommendations: Report No. 1920, 5 June 2018.

Total recommendations: 3
Implemented: 3

Management comments and action plan

The Resident Representative accepted all five 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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