



AUDIT

OF

UNDP COUNTRY OFFICE

IN

BOTSWANA

Report No. 2306
Issue Date: 7 February 2022

Report on the Audit of UNDP Botswana Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Botswana (the Office) from 8 to 23 November 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, administrative services, information communication and technology (ICT)

The audit covered the activities of the Office from 1 January 2020 to 30 September 2021. The Office recorded programme and management expenses of approximately \$11 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 contents and petty cash 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 due to weaknesses within project management.

Key recommendations: Total = **3**, high priority = **1**

The three recommendations aim to ensure the effectiveness and efficiency of operations.

For the high (critical) priority recommendation, 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:

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| Weaknesses in project management
(Issue 2) | The following weaknesses within project management were observed: <ol style="list-style-type: none">a) Weak controls over project design and planning<ul style="list-style-type: none">• Inadequate project monitoring frameworks: For 2 projects, there was no baseline information. In addition, for another project, targets were established for only 11 out of 20 indicators. For another project, the |
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targets were not measurable (expressed as low, medium and high without defined scales).

- A Project Initiation Plan was used without government approval and cash transfers of \$90,000 were made to three NGOs for capacity-building, which was not permissible.
- The four sampled projects were implemented under the national implementation modality but there were no Letters of Agreement in place between UNDP and the implementing partner.
- There were delays in the signing of annual work plans. In 2020, annual work plans for two out of four sampled projects were signed between June and October 2020. In 2021, the annual work plan for one project was not signed at the year-end despite reminders being sent. The same issue was raised in the prior audit.

Recommendation: Project design and planning should be strengthened by: (a) designing projects with defined baselines and measurable targets; (b) ensuring the approval of Project Initiation Plans and only making advances within a crisis context; (c) ensuring Letters of Agreement are signed with implementing partners for nationally implemented projects; and (d) ensuring that annual work plans are signed prior to activities commencing at the start of the year.

Implementation status of previous OAI audit recommendations: Report No. 1893, 21 November 2017.

Total recommendations: 4

Implemented: 4

Management comments and action plan

The Resident Representative accepted all three 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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