



**AUDIT**

**OF**

**UNDP COUNTRY OFFICE**

**IN**

**ECUADOR**

**Report No. 2315**  
**Issue Date: 1 December 2021**

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## Report on the Audit of UNDP Ecuador Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Ecuador (the Office) from 11 to 26 October 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 and communication 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 \$60 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 and communication technology area was not reviewed on-site.

### Overall audit rating

OAI assessed the Office's performance as **fully 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."

### Good practices

#### **Distribution of functions for the procurement of goods and services**

The Procurement Unit distributed their functions to ensure adequate segregation of duties and specialization among procurement personnel. Specifically, different phases of the procurement function were segregated amongst the procurement practitioners. Starting with the procurement planning phase to the contract award phase, the distribution of functions ensures adequate segregation and specialization of the procurement practitioners. distribution of functions is closely monitored by senior management and adjusted annually.

#### **Diversified Internship Programme**

The Office established, in 2020, an internship agreement with one of the local universities that carries out an ethnic diversity programme in which seven students have participated at UNDP Ecuador.

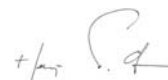
### Key recommendations:

The audit did not result in any recommendations.



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Low risk issues (not included in this report) have been discussed directly with management and actions have been initiated to address them.

 +/s/ Helge S. Ostveiten  
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