



**AUDIT**

**OF**

**UNDP COUNTRY OFFICE**

**IN**

**THE SYRIAN ARAB REPUBLIC**

**Report No. 2322**  
**Issue Date: 30 April 2021**

## Report on the Audit of UNDP Syria Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP in the Syrian Arab Republic (the Office) from 8 to 23 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 and communication technology (ICT)

The audit covered the activities of the Office from 1 January to 31 December 2020. The Office recorded programme and management expenses of approximately \$42.5 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 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 **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 in asset management.

**Key recommendations:** Total = 5, high priority = 1

The five recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Reliability and integrity of financial and operational information	3	Medium
Effectiveness and efficiency of operations	2, 5	Medium
Safeguarding of assets	4	High
Compliance with legislative mandates, regulations and rules, policies and procedures	1	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 asset monitoring and oversight (Issue 4)

Review of asset management disclosed the following:

- The audit could not ascertain on the completeness of project assets. Only 2 out of 57 assets included in the Office asset registry and physically verified belonged to the projects.
- The 2020 asset certification exercise was not submitted to the Premises, Facilities and Assets Team, General Operations, BMS as required.
- The asset certification as of 31 October 2020 incorrectly included two and excluded three vehicles.
- The Office missed a deadline for validating the completeness of vehicles' records in Atlas as required by the Bureau for Management Services (BMS).
- The Office has not established a mechanism to systematically dispose obsolete and non-functional asset on regular basis.

Recommendation: The Office should strengthen asset oversight and recording by: a) performing inventory count of assets and equipment used and controlled by the directly implemented projects, which should be then consolidated and reflected in the asset registry as part of the Office year-end asset certification; b) correcting any discrepancy between physical count and accounting record without delay; and c) disposing assets timely and on regular basis as needed, with proceeds returned to the source projects.

**Implementation status of previous OAI audit recommendations:** Report No. 1918, 25 April 2018.

Total recommendations: 8

Implemented: 8

### 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.



Helge  
Ostveiten  
2021.04.30  
10:45:46 -04'00'

Helge S. Ostveiten  
Director  
Office of Audit and Investigations