



AUDIT

OF

UNDP COUNTRY OFFICE

IN

BANGLADESH

Report No. 2333
Issue Date: 17 June 2021

Report on the Audit of UNDP Bangladesh Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Bangladesh (the Office) from 12 April to 5 May 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 three performance audit questions to guide the review of the following areas:

- (a) Development activities
 - i. Was project implementation effectively undertaken?
 - ii. Did project design include clear and measurable results appropriately linked to the Country Programme Document?
- (b) Procurement
 - i. Were procurement processes being completed in a timely manner?

The audit covered the activities of the Office from 1 January 2020 to 31 March 2021. The Office recorded programme and management expenses of approximately \$75 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 **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

The Office had established a Monitoring and Evaluation (M&E) Network comprising 30 project-level M&E personnel to enhance communication and cross-learning and knowledge sharing, internal coordination and communications on M&E across projects.

The Office also instituted a mid- and end-year programme cluster self-assessment/review of their respective project portfolios, followed by joint reviews with senior management to assess assumptions/scenarios, including assessing impacts and possible re-purposing of project activities. This was especially useful when working within the context of the COVID-19 pandemic.

Key recommendations: Total = **2**, high priority = **0**

The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, which means action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.” These recommendations include actions to address inadequate vendor management and HACT assurance activities not being fully implemented.

The two recommendations aim to ensure the following: (a) effectiveness and efficiency of operations (Recommendation 1); and (b) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 2).

Implementation status of previous OAI audit recommendations: Report No. 1922, 7 June 2018.

Total recommendations: 5

Implemented: 5

Management comments and action plan

The Resident Representative accepted both 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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Helge
Ostveiten
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Helge S. Ostveiten
Director
Office of Audit and Investigations