

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



PERFORMANCE AUDIT

OF THE

**REGIONAL BUREAU FOR EUROPE AND THE
COMMONWEALTH OF INDEPENDENT STATES**

Report No. 2334
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Report on the Performance Audit of the Regional Bureau for Europe and the Commonwealth of Independent States Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a performance audit of the Regional Bureau for Europe and the Commonwealth of Independent States (the Bureau) from 28 September to 22 October 2021. The overall objective of the performance audit was to assess the extent to which the Bureau was effectively carrying out its functions of providing strategic direction, oversight, and assistance to Country Offices and programme countries (refer to About the Bureau section) in their efforts to support the achievement the Sustainable Development Goals.

The audit was guided by the following audit questions:

1. Is the governance and organizational structure of the Bureau adequate to support the work of Country Offices in delivering on their commitments within programme countries?
2. Is the Regional Programme managed effectively and on track to achieve its results?
3. Are the Bureau's operations performed in compliance with UNDP policies and procedures?

The audit covered the activities of the Bureau from 1 January 2020 to 31 August 2021. The Bureau recorded programme and management expenses of approximately \$40.5 million during the audit period. The last audit of the Bureau was conducted by OAI in 2010.

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 Bureau for all audit areas reviewed.
- (b) Meetings with Bureau staff and personnel were carried out virtually, which limited the audit team's understanding of the Bureau's working environment.
- (c) Project visits (location, site visits, meetings with counterparts/beneficiaries) were not conducted.
- (d) A physical verification of assets was not performed.

Overall audit rating

OAI assessed the performance of the Regional Bureau 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."

Key recommendations: Total = **3**, high priority = **0**

The three recommendations aim to ensure the achievement of the organization's strategic objectives.

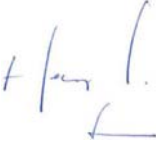
The audit did not result in any high (critical) priority recommendations. There are three medium (important) priority recommendations, which means "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP." These recommendations include actions to address the increasing demand for operational support from the Istanbul Regional Hub (IRH), global and regional projects not being linked to the Regional Programme, and weaknesses in the management of individual contracts.



Management comments and action plan

The Assistant Administrator and Director of the Bureau accepted the 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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Ostveiten
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Helge S. Ostveiten
Director
Office of Audit and Investigations