



**AUDIT**

**OF**

**UNDP COUNTRY OFFICE**

**IN**

**VIET NAM**

**Report No. 2410**  
**Issue Date: 13 October 2021**

---

## Report on the Audit of UNDP Viet Nam Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Viet Nam (the Office) from 2 to 23 August 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 also designed the following performance audit questions to guide the review of the following areas and sub-areas:

- (a) Development Activities
  - i) Were projects designed with clear and measurable results linked to the strategic objectives of the Country Programme?
  - ii) Were project monitoring and course correcting activities undertaken in a timely manner?
- (b) Procurement
  - i) Were procurement transactions completed in a timely manner?
  - ii) Was the Office adequately leveraging economies of scale in its procurement process?
- (c) Finance
  - i) Were payments to vendors processed in a timely manner?
- (d) Human Resources
  - i) Were recruitments completed in a timely manner?

The audit covered the activities of the Office from 1 January 2020 to 30 June 2021. The Office recorded programme and management expenses of approximately \$36 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 were not conducted.
- (d) Verification of assets was performed virtually.
- (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 **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." This rating was mainly due to the fact that no recommendations were rated high (critical) priority.

**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 the sub-optimal use of available programme resources.

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

**Implementation status of previous OAI audit recommendations:** Report No. 1773, 9 June 2017

Total recommendations: 10

Implemented: 10

## Management comments and action plan

The Resident Representative, and the Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific accepted the two recommendations and are 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  
2021.10.13  
14:23:54  
-04'00'  
Helge S. Ostveiten  
Director  
Office of Audit and Investigations