

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



AUDIT

OF

OFFICE OF THE ADMINISTRATOR OF UNDP

Report No. 2427
Issue Date: 9 March 2022

Report on the Audit of the Office of the Administrator of UNDP Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of the Office of the Administrator (the Office) from 7 to 17 February 2022. 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) Operations – procurement, finance, human resources, and administrative services

The audit covered the activities of the Office from 1 January to 31 December 2021. The Office recorded expenses of approximately \$8.4 million. This was the first audit of the Office.

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) A physical verification of assets was not performed.

Overall audit rating

OAI issued an audit rating for the Office of **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 = **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 lack of justification for direct contracting and limitations in the reporting functionality of the Learning Management System regarding mandatory course completion status (corporate issue).

The two recommendations aim to ensure the following: (a) reliability and integrity of financial and operational information (Recommendation 2); and (b) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 1).

Management comments and action plan

The Chief of Staff and Director, Executive Office, and the Assistant Administrator and Director, Bureau for Management Services, accepted both 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
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Helge S. Ostveiten
Director
Office of Audit and Investigations