



AUDIT

OF

UNDP COUNTRY OFFICE

IN

CUBA

Report No. 2434
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Report on the Audit of UNDP Cuba Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Cuba (the Office) from 14 to 25 November 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) Development activities
- (c) Operations – procurement, finance, human resources, administrative services, information communication and technology (ICT)

In addition, OAI assessed the performance of the Office in the Governance area, as follows:

- i. Was the Office's organizational structure appropriate to achieve the agreed Country Programme results?
- ii. Were all positions in the organization chart in place? If not, were vacant positions filled within a reasonable timeframe (no more than four months)?

Performance auditing is an independent, objective and reliable examination of an entity or process to assess whether economy, efficiency and effectiveness in the employment of available resources is being achieved.

The audit covered the activities of the Office from 1 January 2021 to 30 September 2022. The Office recorded programme and management expenses of approximately \$56.3 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* of The Institute of Internal Auditors (The IIA).

Overall audit rating

OAI issued an audit rating for the Office of **fully satisfactory**, which means that “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.”

Overall, the Office was effectively organized to support the annual work plan, manage risks and achieve results.

During the audit, and through discussions with Office staff as well as key stakeholders such as staff members from the Regional Bureau for Latin America and the Caribbean and Regional Hub Panama, there was an acknowledgment of the good work and results offered by the Office, despite some operational challenges such as connectivity and country sanctions. The assertions from key stakeholders were corroborated by the results of the audit and discussions with counterparts in the Country, such as government officials, donors and staff from projects with whom OAI met.

At the time of the audit, all core positions were filled except for two positions. The ICT Clerk and Finance Associate, who had recently left, and for which the Office had already started the recruitment process.

Results from the performance audit questions were taken into consideration for the overall audit rating.

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



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 outstanding Government Contributions to Local Office Costs (GLOC), gaps in the functioning of the ICT unit, and insufficient bandwidth.

The three recommendations aim to ensure the effectiveness and efficiency of operations.

Management comments and action plan

The Resident Representative 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.

Moncef Ghrib

Officer-in-Charge
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