



**AUDIT**

**OF**

**UNDP COUNTRY OFFICE**

**IN**

**ALBANIA**

**Report No. 2451**  
**Issue Date: 29 March 2022**

---

## Report on the Audit of UNDP Albania Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP Albania (the Office) from 4 to 22 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) Development activities
- (c) Operations – procurement, finance, human resources and administrative services

In addition, OAI assessed the performance of the Office in the following areas: development activities and operations (procurement, finance and human resources).

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 performance audit questions were as follows:

(a) Development activities:

1. Did the country programme have clear objectives, with sufficient resources that was implemented as planned?
2. Were the country programme indicators clearly defined, measurable and adequately monitored to enable achievement of results?
3. Were the project objectives clearly defined, and results measurable, and adequately monitored?

(b) Operations – procurement, finance and human resources:

4. Were the operational activities effectively and efficiently supporting programme implementation?

The audit covered the activities of the Office from 1 January to 31 December 2021. The Office recorded programme and management expenses of approximately \$31 million. The last audit of the Office was conducted by OAI in 2016.

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 and meetings with beneficiaries) were not conducted, but meetings with stakeholders and counterparts were conducted virtually.
- (d) A physical verification of assets was not performed.
- (e) Safe contents and petty cash were not verified.

---

## 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.”

Conclusions on the performance audit areas reviewed:

(a) Development activities:

1. Did the country programme have clear objectives, with sufficient resources that was implemented as planned?

The Country programme objectives were clear and addressed the national priorities. Adequate resources were mobilized to implement the programme. The Office was able to increase programme delivery despite the challenging context following the 2019 earthquake and the COVID-19 pandemic.

2. Were the country programme indicators clearly defined, measurable and adequately monitored to enable achievement of results?

The Country Programme Document (CPD) included well defined outcomes and outputs that were specific, measurable, achievable, relevant, and time-bound. However, the Office had not adequately monitored 21 out of 36 output indicators within the CPD. Within the new CPD the monitoring of indicators has been strengthened.

3. Were the project objectives clearly defined, and results measurable, and adequately monitored?

Project objectives were clearly defined and aligned to the Country programme document (CPD). The five project documents reviewed, representing 28 percent of the 2021 programme delivery, included objectives linked to the CPD, with outcomes and outputs that were specific, measurable, achievable, relevant, and time-bound. Achievement of outcomes and outputs were monitored which enabled the measurement of project results.

(b) Operations – procurement, finance and human resources

4. Were the operational activities effectively and efficiently supporting programme implementation?

Procurement practices were effective in supporting programme activities. Finance and Human resources processes were found to be effective and efficient. Further information is provided within the audit results section.

These audit results have been incorporated in the overall auditing rating.

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

The audit did not result in any recommendations.

## Management comments and action plan

Low risk issues (not included in this report) have been discussed directly with management and actions have been initiated to address them.



---

*Helge S. Ostveiten*  
Helge  
Ostveiten  
2022.03.29  
10:31:08 -04'00'  
Helge S. Ostveiten  
Director  
Office of Audit and Investigations