



AUDIT

OF

UNDP COUNTRY OFFICE

IN

INDIA

Report No. 2485
Issue Date: 7 July 2022

Report on the Audit of UNDP India Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of UNDP India (the Office) from 9 to 20 May 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 areas of procurement, and administrative services.

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. OAI designed three performance questions based on a preliminary risk assessment to guide the review of the following areas:

- (a) Procurement:
 - i. Were procurement processes conducted in accordance with the timelines specified in the Office's procurement standard operating procedures (SOPs)?
 - ii. Did the Office conduct its procurement processes in line with corporate guidance contained in the policy on Long Term Agreements (LTAs) and in cooperation with UN entities?
- (b) Administrative Services:
 - i. Were airline tickets procured in line with corporate guidance contained in the policy on route, mode of transportation and standard of accommodation?

The audit covered the activities of the Office from 1 January 2021 to 30 April 2022. The Office recorded programme and management expenses of approximately \$71 million. The last audit of the Office was conducted by OAI in 2019.

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 **satisfactory/some improvement needed**, which means “the assessed governance arrangements, risk management practices and controls were generally established and functioning, but need some improvement. Issues identified by the audit do not significantly affect the achievement of the objectives of the audited entity/area.” This rating was mainly due weaknesses in programme management.

No reportable issues were noted within the performance audit areas reviewed.

Key recommendations: Total = **3**, high priority = **1**

The three recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization's strategic objectives	1	Medium
Compliance with legislative mandates, regulations and rules, policies and procedures	2	High
Effectiveness and efficiency of operations	3	Medium

For high (critical) priority recommendations, prompt action is required to ensure that UNDP is not exposed to high risks. Failure to take action could result in major negative consequences for UNDP. The high (critical) priority recommendation is presented below:

Weaknesses in programme management (Issue 2)

The review of 10 development projects with total expenditures of \$42.8 million or 71 percent of programme delivery during the audit period disclosed the lack of project board meetings, project documents not being updated or signed after changes, inadequate project oversight, and the failure to convene a Local Project Appraisal Committee as part of project approval.

Recommendation: The Office should ensure that project monitoring and assurance activities are carried out in accordance with the 'UNDP Programme and Operations Policies and Procedures'.

Implementation status of previous OAI audit recommendations: Report No. 2038, 22 March 2019.

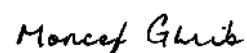
Total recommendations: 3

Implemented: 3

Management comments and action plan

The Resident Representative accepted all 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
Office of Audit and Investigations