



**AUDIT**

**OF**

**UNDP PACIFIC OFFICE**

**IN**

**FIJI**

**Report No. 2692**  
**Issue Date: 15 January 2024**

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## Report on the Audit of UNDP Pacific Office in Fiji Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted an audit of the UNDP Pacific Office in Fiji<sup>1</sup> (the Office) from 2 to 19 October 2023. 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 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.

- (a) Procurement:
  - i. Were procurement processes conducted in a timely manner?
- (b) Human resources:
  - i. Were recruitment processes completed in a timely manner?

The audit covered the activities of the Office from 1 January 2022 to 30 September 2023. The Office recorded programme and management expenses of approximately \$114 million. The last audit of the Office was conducted by OAI in 2020.

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). 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, meeting with counterparts/beneficiaries) were not conducted.
- (d) A physical verification of assets was not performed.
- (e) Safe contents and petty cash were not verified.
- (f) The information communication and technology area was not reviewed on-site.

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<sup>1</sup> The Office is a Multi-Country Office, which implements programmes in 10 countries and territories in the Pacific sub-region: Federated States of Micronesia, Fiji, Kiribati, the Marshall Islands, Nauru, Palau, the Solomon Islands, Tonga, Tuvalu, and Vanuatu.

## 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 to vacancies in key office positions, weaknesses in project management and weaknesses in the social and environmental screening procedures, in addition to delays in recruitment and procurement processes.

Conclusions on the performance audit areas reviewed:

The audit team concluded that the Office did not complete its procurement processes in a timely manner and that recruitment processes were not completed within targeted timelines. These findings have been incorporated in the overall auditing rating.

**Key recommendations:** Total = **6**, high priority = **1**

The six recommendations aim to ensure the following:

Objectives	Recommendation No.	Priority Rating
Achievement of the organization’s strategic objectives	1	High
	2, 4	Medium
Effectiveness and efficiency of operations	5, 6	Medium
Compliance with legislative mandates, regulations and rules, policies and procedures	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:

Key positions vacant due to incomplete organizational restructuring (Issue 1)

A strategic review of the Office was commissioned by the Regional Bureau for Asia and the Pacific in June 2022. The review called for a revision to the Office’s structure to better align it to the needs of programme countries and development priorities. While the Office officially announced the transition to its new structure effective on 5 June 2023, key positions remained vacant.

Recommendation: The Office should expedite the recruitment processes by: (a) ensuring that recruitment processes for the remaining vacant positions, including those of the Management Performance and Oversight Unit, continue to be closely monitored and completed expeditiously; and (b) reassessing recruitment strategies if ongoing recruitment processes are not attracting qualified candidates to fill the vacant positions.

**Implementation status of previous OAI audit recommendations:** Report No. 2238, 21 July 2020.

Total recommendations: 3

Implemented: 3

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### **Management comments and action plan**

The Resident Representative accepted all six 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.

A handwritten signature in black ink, appearing to read 'Guillermo Munoz', is enclosed within a rectangular box.

Guillermo Munoz  
Deputy Director (Audit) a.i  
Office of Audit and Investigations