



**AUDIT**

**OF**

**UNDP**

**REGIONAL BUREAU FOR LATIN AMERICA AND THE CARIBBEAN**

**Report No. 979**

**Issue Date: 20 December 2012**

## Report on the audit of the UNDP Regional Bureau for Latin America and the Caribbean Executive Summary

From 30 April to 25 May 2012, the Office of Audit and Investigations (OAI) of the United Nations Development Programme (UNDP) conducted an audit of the UNDP Regional Bureau for Latin America and the Caribbean (the Bureau). The audit covered the activities of the Bureau during the period from 1 January 2010 to 31 December 2011. During the period reviewed, the Bureau recorded programme and management expenditures totaling \$20 million. This was the first audit of the Bureau. An audit of the Regional Centre in Panama was conducted by OAI in 2011 (report No. 820).

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that OAI plans and performs the audit to obtain reasonable assurance on the adequacy and effectiveness of the governance, risk management, and control processes. The audit includes reviewing and analysing, on a test basis, information that provides the basis for our conclusions.

### Audit rating

OAI assessed the Bureau as **satisfactory**, which means “Internal controls, governance and risk management processes were adequately established and functioning well. No issues were identified that would significantly affect the achievement of the objectives of the audited entity”. This rating was given as no high priority (critical) issues have been identified.

Ratings per audit area and sub-areas are summarized below.

| Audit Areas   | Not Assessed/<br>Not<br>Applicable | Unsatisfactory | Partially<br>Satisfactory | Satisfactory |
|---|------------------------------------|----------------|---------------------------|--------------|
| <b>1. Governance</b>                                    |                                    |                |                           |              |
| 1.1 Organizational structure                            | Partially Satisfactory             |                |                           |              |
| 1.2 Delegation of authority/ Internal Control Framework | Satisfactory                       |                |                           |              |
| 1.3 Approving duties for country offices                | Satisfactory                       |                |                           |              |
| 1.4 Risk management                                     | Satisfactory                       |                |                           |              |
| <b>2. Strategic management</b>                          |                                    |                |                           |              |
| 2.1 Strategic management                                | Satisfactory                       |                |                           |              |
| 2.2 Financial sustainability                            | Satisfactory                       |                |                           |              |
| 2.3 Succession planning                                 | Partially Satisfactory             |                |                           |              |
| <b>3. Regional programmes</b>                           |                                    |                |                           |              |
| <b>4. United Nations system coordination</b>            |                                    |                |                           |              |
| <b>5. Country office support and monitoring</b>         |                                    |                |                           |              |
| <b>6. Operations</b>                                    |                                    |                |                           |              |
| 6.1 Human resources management                          | Satisfactory                       |                |                           |              |
| 6.2 Procurement   | Partially Satisfactory             |                |                           |              |
| 6.3 Travel  | Partially Satisfactory             |                |                           |              |
| 6.4 Business Continuity                                 | Partially Satisfactory             |                |                           |              |


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**Key issue/s and recommendation/s**

The audit raised four issues. There are four recommendations, all of which were ranked medium (important) priority, meaning “Action is required to ensure that UNDP is not exposed to significant risks. Failure to take action could result in negative consequences for UNDP.”

**Management’s comments**

The Director of the Regional Bureau and the Director of the Operations Support Group accepted the recommendations addressed to them and are in the process of implementing them.

A handwritten signature in black ink, reading 'Egbert C. Kaltenbach', is enclosed in a rectangular box. Below the signature, the name and title are printed in a standard font.

Egbert C. Kaltenbach  
Director  
Office of Audit and Investigations