



AUDIT

OF

UNDP MONTENEGRO

GRANTS FROM THE GLOBAL FUND TO FIGHT
AIDS, TUBERCULOSIS AND MALARIA

Report No. 1499
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**Report on the Audit of UNDP Montenegro
Grants from the Global Fund to Fight AIDS, Tuberculosis and Malaria
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 28 September to 9 October 2015, conducted an audit of a grant from the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) (Output No. 75943 [HIV]) managed by UNDP Montenegro (the Office) as the Principal Recipient. 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 and strategic management (organizational structure, staffing, capacity development and exit strategy);
- (b) programme management (project approval and implementation, monitoring and evaluation, grant closure);
- (c) Sub-recipient management (selection, assessment and contracting, funding, reporting, oversight and monitoring);
- (d) procurement and supply management (qualification and forecasting, procurement of health products, quality assurance of health products, procurement of other goods and services, supply management [inventory, warehousing and distribution], asset management, individual contractors); and
- (e) financial management (revenue and accounts receivable, expenditures, reporting to the Global Fund).

The audit covered the Global Fund-related activities of the Office from 1 January 2014 to 30 June 2015. The Office recorded Global Fund-related expenditures of approximately \$1.1 million. This was the first audit of the Office's Global Fund-related activities.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Overall audit rating

OAI assessed the Office's management of the Global Fund grants 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."

The audit did not result in any recommendations.



Helge S. Ostveiten
Director
Office of Audit and Investigations