



AUDIT

OF

ADMINISTRATIVE AGENT FUNCTION

FOR

THE SUSTAINABLE DEVELOPMENT GOALS FUND

OF THE

MULTI-PARTNER TRUST FUND OFFICE IN NEW YORK

Report No. 1785
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Report on the Audit of Administrative Agent Function for the Sustainable Development Goals Fund Executive Summary

The UNDP Office of Audit and Investigations (OAI) from 28 February to 10 March 2017, conducted an audit of the Administrative Agent (AA) function for the Sustainable Development Goals Fund (SDG-F), which is under the responsibility of the Multi-Partner Trust Fund Office (the Office). The audit aimed to assess the adequacy and effectiveness of the governance, risk management and control processes relating to the performance of the AA function for the SDG-F by the Office. More specifically, the audit assessed the adequacy of:

- (a) governance and related controls (organizational structure, segregation of duties, internal monitoring and reporting);
- (b) accounting for source of funds (donor contributions and interest income);
- (c) accounting for use of funds (transfer of funds to Participating United Nations Organizations [PUNOs], AA fee and direct costs);
- (d) donor reporting on narratives and certified financial report on sources and use of funds; and
- (e) expense reporting by PUNOs through the UNEX System (a web-based interface system that participating organizations use to report expenditure data).

The audit covered the activities of the AA function for the SDG-F, as fulfilled by the Office, from 1 January 2015 to 31 December 2016. During the period under review, the SDG-F recorded funds received totalling \$12.7 million and funds transferred/disbursed totalling \$21.6 million. This was the first audit of the AA function for the SDG-F.

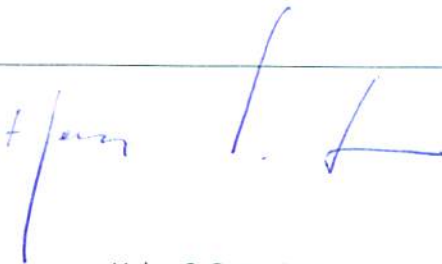
The audit was limited to the functioning of the AA and the management of financial resources. It did not cover financial management at the level of PUNOs.

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

Overall audit rating

OAI assessed the AA function for the SDG-F as **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."

The audit did not result in any recommendations.



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