

UNITED NATIONS DEVELOPMENT PROGRAMME
Office of Audit and Investigations



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AUDIT

OF

UNDP Bureau for Policy and Programme Support - HIV, Health and Development

GRANTS FROM THE GLOBAL FUND

Report No. 2034

Issue Date: 5 April 2019

Report on the Audit of UNDP BPPS - HIV, Health and Development Grants from the Global Fund Executive Summary

The UNDP Office of Audit and Investigations (OAI), from 13 to 22 February 2019, conducted an audit of one grant from the Global Fund (Output No. 97219 [HIV]) managed by UNDP BPPS - HIV, Health and Development (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, risk management, staffing and performance management, capacity development and transition strategy);
- (b) programme management (project approval and implementation, monitoring and evaluation);
- (c) Sub-recipient management (selection, assessment and contracting, financial and programmatic activities);
- (d) procurement (individual contractors, procurement of other goods and services), and asset management; and
- (e) financial management (revenue and accounts receivable, expenses, reporting to the Global Fund).

The audit covered the Global Fund-related activities of the Office from 1 January to 31 December 2018. The Office recorded Global Fund-related expenses of approximately \$2.2 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 grant as **satisfactory**, which means that "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."

Good practice

The Office periodically prepared newsletters highlighting the accomplishments of project activities managed by UNDP and funded by the Global Fund, which were shared with stakeholders and posted on a public web page. This initiative helped inform stakeholders and the public on the achievements and success stories of the project and served as a good marketing tool for both UNDP and the Global Fund.

Key recommendations: Total = 2, high priority = 0

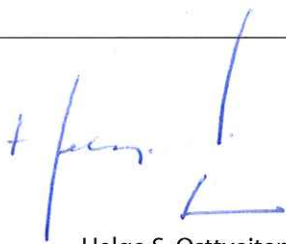
The audit did not result in any high (critical) priority recommendations. There are two medium (important) priority recommendations, which means "Action is required to ensure that UNDP is not exposed to risks. Failure to take action could contribute to negative consequences for UNDP." These recommendations include actions to address the absence of delegations of authority, and inadequate controls in recording expenses.

The two recommendations aim to ensure the following: (a) reliability and integrity of financial and operational information (Recommendation 1); and (b) effectiveness and efficiency of operations (Recommendation 2).

Management comments and action plan

The Team Leader of the HIV, Health and Development team for Africa of the Bureau for Policy and Programme Support accepted both recommendations and is in the process of implementing them. Comments and/or additional information provided have been incorporated into 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.



Helge S. Osttveiten
Director
Office of Audit and Investigations