

**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**Office of Audit and Investigations**



*Empowered lives.  
Resilient nations.*

**AUDIT**

**OF**

**UNDP AFGHANISTAN**

**GRANTS FROM THE GLOBAL FUND**

**Report No. 1898**

**Issue Date: 21 December 2017**

## Report on the Audit of UNDP Afghanistan Grants from the Global Fund Executive Summary

The UNDP Office of Audit and Investigations (OAI), from 5 to 15 November 2017, conducted an audit of four grants from the Global Fund (Output Nos. 94758 [HSS], 94759 [TB], 96733 [Malaria] and 100800 [HIV]) managed by UNDP Afghanistan (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 (qualification and forecasting, procurement of health products, quality assurance of health products, individual contractors, procurement of other goods and services), supply management (inventory, warehousing and distribution), 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 2016 to 31 October 2017. The Office recorded Global Fund-related expenses of approximately \$29 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

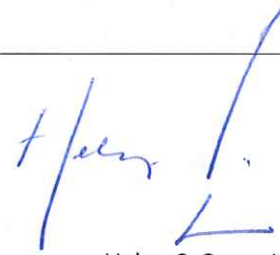
OAI assessed the Office's management of the Global Fund grants as **satisfactory**, which means "The assessed governance arrangements, risk management practices and controls were adequately established and functioning well. Issues identified by the audit, if any, are unlikely to affect the achievement of the objectives of the audited entity/area."

The audit did not result in any recommendations.

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**Management comments and action plan**

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 blue ink, appearing to read 'H. Ostveiten', is enclosed within a black rectangular box. The signature is written in a cursive style.

Helge S. Ostveiten  
Director  
Office of Audit and Investigations