



AUDIT

OF

UNDP BOLIVIA

GRANTS FROM THE GLOBAL FUND

Report No. 2311
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**Report on the Audit of UNDP Bolivia
Grants from the Global Fund
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), from 26 July 2021 to 10 August 2021, conducted an audit of three grants from the Global Fund (Output Nos. 110830 [Malaria], 118214 [TB], and 87454 [Country Coordinating Mechanism]) managed by UNDP Bolivia (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, grant closure);
- (c) Sub-recipient management (selection, assessment and contracting, financial and programmatic activities);
- (d) procurement (quantification 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;
- (e) financial management (revenue and accounts receivable, expenditure, reporting to the Global Fund, Fund Administrator Role).

OAI designed the following performance audit questions to guide the review of the following areas and sub-areas:

Main audit question: **To what extent are the grant results likely to be achieved?**

- (a) Programme management
 - 1. Were grant monitoring and change management undertaken in a timely manner to support the achievement of project results?
- (b) Financial management
 - 1. Was the processing of financial transactions accurate and completed on time when reporting to the Global Fund?

The audit covered the Global Fund-related activities of the Office from 1 January 2020 to 30 June 2021. The Office recorded Global Fund-related expenses of approximately \$4.6 million. The last audit of the Office's Global Fund-related activities was conducted by OAI in 2018.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Due to the COVID-19 pandemic, the audit was conducted remotely. Scope limitations due to the nature of the remote audit related to the following activities:

- (a) A review of original supporting documentation could not be carried out, and therefore the audit team relied on scanned copies of documents provided by the Office for all audit areas reviewed.
- (b) Meetings with Office staff and personnel were carried out virtually, which limited the audit team's understanding of the Office's working environment.

- (c) Project site visits, including to medical facilities, warehouses, Sub-recipients, and meetings with counterparts/beneficiaries were not conducted.
- (d) A physical verification of assets and inventory was not performed.

Overall audit rating

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

Good practices

The Project Management Unit developed a training guide and an online training module, which were hosted by the Government, to provide on-demand training to personnel assigned by counterparts to the national health programme. This initiative addressed the capacity development requirements brought about by changes in government personnel. In addition, the Project Management Unit developed IT systems hosted by an Internet service provider with modules for asset management, travel, finance and monitoring of results; these were used to consolidate the information required for reporting to 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 inadequate recording of project risks and incorrect use of account codes.

The two recommendations aim to ensure the following: (a) reliability and integrity of financial and operational information (Recommendation 2), and (b) compliance with legislative mandates, regulations and rules, policies and procedures (Recommendation 1).

Management comments and action plan

The Resident Representative accepted the two 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.


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