

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



**FOLLOW UP AUDIT**

**OF**

**UNDP'S GLOBAL ENVIRONMENT FACILITY MANAGEMENT**

**Report No. 2404**

**Issue Date: 11 January 2022**

## Report on the Audit of UNDP's Global Environment Facility Management Executive Summary

The UNDP Office of Audit and Investigations (OAI) conducted a follow up audit of UNDP's Global Environment Facility (GEF) management from 1 to 26 November 2021. This is the second OAI follow up audit of the OAI 2020 audit of UNDP's GEF portfolio.

The objectives for this audit were to:

- (a) determine if recommended corrective actions were implemented as scheduled and have addressed the risks noted during the 2020 audit;
- (b) assess those recommendations that remain outstanding and obtain from the Bureaux a revised timeframe for full implementation;
- (c) in the process of reviewing the implemented recommendations, identify new risks that may negatively affect UNDP's implementation of the GEF portfolio; and
- (d) provide UNDP with an overall assessment of the implementation status, as well as provide advice and support should there be any issues arising from the implementation process.

The audit covered the UNDP's activities from 1 January to 30 September 2021.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Due to the COVID-19 pandemic, OAI was also unable to perform onsite verification and interviews with the various units.

### A. Audit Results

OAI issued 12 recommendations in the 2020 audit of UNDP's GEF portfolio, including five High Priority recommendations for which prompt action is needed to avoid that UNDP is exposed to significant risks. The below table indicates in detail OAI's assessment of the status of implementation of the audit recommendations as of 7 December 2021.

FOLLOW-UP AUDIT (RECOMMENDATIONS)				
Recommendation	Priority	Implemented	In progress	Total
1	High	1		1
2	Medium	1		1
3	High	1		1
4	Medium	1		1
5	Medium		1	1
6	Medium	1		1
7	High	1		1
8	Medium	1		1
9	High	1		1
10	Medium	1		1
11	High		1	1
12	Medium	1		1
<b>Total Recommendations</b>		<b>10 (83%)</b>	<b>2 (17%)</b>	<b>12</b>

In the first follow up audit, OAI assessed 7 of 12 recommendations (58 percent) as in progress while the remaining 4 recommendations as implemented.

The outstanding recommendations are as follows:



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**High priority recommendations:**


- Ensure that Country Office financial transactions charged to GEF projects are valid, and adequate supporting documentation is maintained (Recommendation 11).

**Medium priority recommendations:**

- Centralize and upload all GEF-related guidance, policies, and procedures into the UNDP POPP and update them regularly; and (b) develop and implement a stand-alone Anti-Money Laundering and a Combatting Financing Terrorism policy (Recommendation 5).

The detailed implementation status of the 12 recommendations has been updated by OAI in CARDS.

Sections II and III summarize the recommendations that are in progress and implemented. OAI will continue to monitor the progress of the implementation of the recommendations as and when updates are provided by the business units.

  
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