



AUDIT

OF

**POLICY AND TECHNICAL SUPPORT TO ADDRESS DEVELOPMENT DIMENSIONS OF
HIV AND HEALTH**
(Directly Implemented Project No. 63928 and its Outputs)

BY

UNDP BUREAU FOR POLICY AND PROGRAMME SUPPORT

Report No. 2406

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**Report on the Audit of
Policy and Technical Support to Address Development Dimensions of HIV and Health
(Project No. 63928 and its Outputs) implemented by the Bureau for Policy and Programme Support
Executive Summary**

The UNDP Office of Audit and Investigations (OAI), through BDO LLP (the audit firm), from 7 to 18 June 2021, conducted an audit of ‘Policy and Technical Support to Address Development Dimensions of HIV and Health’ (Project No. 63928 and its Outputs) (the Project), which is directly implemented and managed by the Bureau for Policy and Programme Support (the Office). This was the first audit of the Project.

The audit was conducted in accordance with the International Standards of Auditing (ISA), the 700 series. The audit work covered financial transactions as well as internal controls and systems for the purpose of expressing an opinion on whether the financial statements present fairly, in all material aspects, the Project’s operations, as well as assess compliance with UNDP regulations, rules, policies and procedures and donor agreements. The audit covered the Project’s Combined Delivery Report, which includes expenses for the period from 1 January to 31 December 2020 and the accompanying Funds Utilization statement¹ as of 31 December 2020. The audit did not include activities and expenses incurred or undertaken at the “responsible party” level, or expenses processed and approved in locations outside of the country (such as UNDP Regional Centres and UNDP Headquarters) or expenses of other United Nations agencies. The audit did not cover the Statement of Assets as no assets were held by the Project. In addition, the audit did not cover the Statement of Cash Position as no separate bank account was established and maintained for the Project.

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

Overall audit rating

Based on the audit report and corresponding management letter submitted by the audit firm, OAI assessed the management of the Project as **fully satisfactory**, which means, “The assessed governance arrangements, risk management practices and controls as applicable to the Project’s financial statements 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 details of the audit results are presented in the table below:

Project Expenses*	
Amount (in \$ ‘000)	Opinion
3,478	Unmodified

*Expenses recorded in the Combined Delivery Report were \$7,118,055. Excluded from the audit scope were transactions that relate to expenses processed and approved by other UNDP offices outside of the country \$2,583,857. Also excluded were expenses incurred at the “responsible party” level (\$1,056,550).

Key recommendation: Total = 1, high priority = 0

¹ The Funds Utilization statement includes the balance, as at a given date, of five items: (a) outstanding advances received by the project; (b) undepreciated fixed assets used at the project level; (c) inventory held at the project level; (d) prepayments made by the project; and (e) outstanding commitments held at the project level.



The audit did not result in any high (critical) priority recommendations. There is one medium (important) priority recommendation, which means, “Action is required to ensure that UNDP is not exposed to risks. Failure to take action could result in negative consequences for UNDP.” This recommendation includes actions to address inconsistent timing and documentation of project board annual reviews.

The recommendation aims to ensure the achievement of the organization’s strategic objectives.

Management comments and action plan

The Director of HIV, Health and Development, Bureau for Policy and Programme Support, accepted the recommendation and is in the process of implementing them. Comments and/or additional information provided have been incorporated into the report, where appropriate.

Helge S. Ostveiten
Director
Office of Audit and Investigations