



**REPORT**  
**ON THE AUDITS OF UNDP PROJECTS IMPLEMENTED BY NON-GOVERNMENTAL**  
**ORGANIZATIONS OR NATIONAL INSTITUTIONS AND GLOBAL FUND SUB-**  
**RECIPIENTS**

**(FISCAL YEAR 2020)**

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**Report on the Audits of UNDP Projects  
Implemented by Non-Governmental Organizations or National Institutions  
and Global Fund Sub-recipients (FY2020)  
Executive Summary**


The overarching objective of the audits of UNDP projects implemented by non-governmental organizations (NGOs) or national institutions (NIM) is to provide UNDP with assurance as to the proper use of financial resources transferred to its implementing partners. The audits are performed annually by UNDP, and the Office of Audit and Investigation (OAI) supports the process by providing guidance for the conduct of the audits and reviews of the audit reports.

In August 2021, OAI concluded its review of the 2020 audits of UNDP projects implemented by NGOs or National Institutions and Global Fund Sub-recipients for the fiscal year 2020 (FY2020). The main objective of these audits was to provide UNDP with assurance that financial resources have been used in accordance with UNDP rules, regulations, policies and procedures. This report presents the consolidated results of these audits.

As of 31 October 2021, OAI had received 528 reports (92 percent) and \$896 million of audited expenses (98 percent) from 85 Country Offices (98 percent).

OAI has issued review letters covering audit reports that have been received from the 85 Country Offices. A total of 60 Country Offices received a satisfactory rating by OAI, representing 71 percent of all review letters issued. The auditors performing the audits expressed modified opinions on the expenses of 43 projects in 21 Country Offices for a total overstatement of expenses of \$1.3 million or 1.3 percent of the related audited expenses.

The auditors raised a total of 1,363 audit observations for FY2020. Most of the audit observations related to three areas, namely, financial management, procurement of goods and/or services, and record keeping systems and controls. The area of financial management had the highest number of audit observations with a total of 717 issues noted (or 53 percent). The 717 observations related mainly to: (a) the lack of adequate supporting documentation for expenses incurred (202 projects), (b) the absence of an adequate accounting system (93 projects), and (c) differences between the project records and the CDR, and the recording of 2019 expenses in the 2020 CDR (68 projects). Of the total 1,363 recommendation, 58 percent have been implemented.

  
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